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East Europe

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NOTICE TO READERS: This volume contains a representative selection of material previously disseminated in softcopy format.

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Job-Seeking Crowd Storms U.S. Embassy

AU2603130595 Paris AFP in English 0438 GMT 26 Mar 95

[FBIS Transcribed Text] Tirana, March 26 (AFP)—About 1,200 Albanians attempted to get into the US Embassy in the early hours of Sunday [26 March] in the belief that the United States was prepared to take in Albanians for manual jobs.

The crowd which attacked the embassy from two sides, threw themelves against the barred fence but withdrew after police fired into the air.

Three days ago, small groups of people tried to force their way into the embassy even though US diplomats had said there was no truth in a report put about that the United States would give jobs to Albanian workers.

Police officer Yoli Karaj told AFP: "We fired into the air. We saw someone with a knee injury but maybe he hurt himself on the embassy bars."

A student told AFP that students from adjoining student hostels had joined in the assault on the embassy. He said he saw another person with chest injuries but police did not confirm this.

"Will the United States accept immigrants on Thursday?" the Albanian daily METEOR wrote last week.

Fatjon Soska who is in charge of security at foreign embassies, said most of those who assembled at the US Embassy were between 12 and 19 and came mainly from northern Albania.

In July 1990, about 4,000 Albanians forced their way into foreign embassies in Tirana seeking a way out a country ruined by decades of Stalinist dictatorship. European countries agreed to take some of them in.

Of Albania's 3.3 million people, about 500,000 work in neighbouring countries, mainly in Italy and Greece.

Youth Reported Shot

AU2603153595 Paris AFP in English 1522 GMT 26 Mar 95

[FBIS Transcribed Excerpt] Tirana, March 26 (AFP)—A young man was shot early Sunday [26 March] when hundreds of people attempted to get into the US Embassy here in the belief that the United States was prepared to take in Albanians for manual jobs, hospital officials said.

Doctors at the Tirana military hospital told AFP that 19-year-old Ylber Hoxha was operated on after a bullet entered both his legs, seriously damaging one foot. His condition was satisfactory, they added.

Earlier reports said about 1,200 Albanians attempted to storm the embassy in the early hours of Sunday. An embassy statement said about 200 people tried to enter the embassy premises from two sides around 3:00 a.m. (0100 GMT).

The crowd threw themselves against the barred fence but withdrew after Albanian police fired into the air. [passage omitted]

The situation near the embassy was calm Sunday afternoon. [passage omitted]

Would-Be Emigrants

AU2603170895 Tirana KOHA JONE in Albanian 25 Mar 95 p 3

[Article by Emin Barci: "Attempt To Enter the U.S. Embassy"]

[FBIS Translated Text] Hopes and dreams of a repetition of July 1990, when thousands of Albanians broke down embassy walls and doors, have still not faded after five years. Toward midnight on 23 March, small groups of people climbed the hill toward the U.S. Embassy. Police cars continually patrolled the streets and lanes around the embassy. We met some of the people, who said they had heard that the embassy would open its doors to accept refugees, whom it would take to the United States.

The main groups had gathered around the bridge on Elbasan Street and around the Art School. There were groups of 10 to 15 people in all the lanes around the embassy. Onlookers continually came down from the student campus, waiting to pass on the long-expected news to their friends. They totalled 400-500 people. "They have told us that tonight or tomorrow they will accept 25,000 people," T.B., a young man from the town of Kruje, told us. Many people had brought with them bags of food and cigarettes, perhaps remembering the fate of the refugees in July 1990. People had come from several towns.

The arrival of police cars spread panic among them, forcing them to run away and hide in the nearest doorway or in the stairwells of apartment blocks. They kept their eyes peeled on the embassy gates for two hours, but in vain. Everything was over by 0200 and the would-be emigrants left. Many of them headed for the center of Tirana to eat what they had in their bags or to look for hamburgers at all-night fast-food outlets, always in the hope that the embassy would open on Friday. There were no incidents with the police.

In connection with these events, we interviewed the most senior police authorities, who categorically denied that there had been any attempt to enter the U.S. Embassy. They explained the presence of unusual numbers of police forces in the area around the embassy by saying that this was the police's normal, scheduled duty. We also went to the U.S. Embassy about the problem. One of the embassy's senior officials confirmed to us that on Thursday evening various people had hung around the embassy in the hope that it would open its doors. The

U.S. official went on to say that there is no truth in the report that the embassy will open its doors to accept refugees. He said these reports have had most influence in towns in the north. The embassy is prepared to prevent any such thing.

Pamphlet in Large Letters Spreads News That Embassy Gates Will Open Thursday and Friday

[The following passage appears in facsimile within the body of the item:]

METEOR

1. Letter addressed to the U.S. ambassador by Mr. Pjerin Thomai

2. His second interview: Will the United States take in emigrants on Thursday? [end of facsimile passage]

What is the origin of this movement? In the last few days, a pamphlet has been distributed in the market in the shape of a newspaper entitled METEOR. The pamphlet includes an interview with a person called Pjerin Thomai, with the headline on the front page: "Will the United States Take in Emigrants on Thursday?"

In the interview that follows this question, Mr. Thomai says an anti-American Committee [Komitet Antiamerikan] now exists. He emphasizes that he has received notice of a demonstration to be held on Thursday, but that he is not sure who is organizing it. He goes on to analyze how this "demonstration" will possibly end, reaching the conclusion that Americans, feeling themselves to blame for what they have done to the Albanians in recent years, will open the embassy gates. "The United States...still has room for 20,000-30,000 Albanians," Thomai says at the end of his interview.

Embassy Security Chief Asks Us To Take Measures—Interview With Police Official Fatjon Sofka, Chief of Building Security Division

[Barci] What was the reason for these movements of people?

[Sofka] I know a report was spread through a newspaper or pamphlet, which people have taken as a source of both information and hope. I, however, have not personally seen the newspaper.

[Barci] Nevertheless, is the situation calm?

[Sofka] Generally, people are gathering. There are many curious people hanging about. As you see, they are mostly between 18 and 20 years old. The situation was calmer yesterday evening, and we have not had any problems. Meanwhile, we increased our forces at 1700 today, with the aim of averting any incidents.

[Barci] Have they come from the provinces?

[Sofka] There are people from the provinces. Those whom we have asked have come from Peshkopi, Burrel, Kruje, etc. There are many boarding-school pupils, especially from areas of Tirana that are a long way from the embassy, such as the school-pupils' dormitories and the textile combine.

[Barci] Are they organized?

[Sofka] It is in general spontaneous. The rumor that brought these people together has been their best form of organization. There is somebody trying to destabilize the situation. When we ask people where they have come from, they say that they have come to see their relatives. Then we check their bags and they admit that they have come after hearing the rumor that the embassy will be opened. They have heard that the Americans want to take on a new work force. The U.S. Embassy's security chief has asked us to take measures over this issue, because they too are aware of these reports.

[Barci] Do you think that his [not further identified] arrival from Rome the day before yesterday is connected with these rumors?

[Sofka] I do not think so. For me, it is a normal visit.

[Barci] The pamphlet claims that an anti-American demonstration was to be organized yesterday, and speculated that the Anti-American Committee would organize this.

[Sofka] Pamphlets are pamphlets, but I do not know in whose interests such a thing would be. I do not know of any request from any so-called Anti-American Committee to hold a demonstration in front of the embassy.

Police Reportedly Wound 3

AU2603181995 Tirana Radio Tirana Network in Albanian 1730 GMT 26 Mar 95

[FBIS Translated Text] According a report by the ALBANIAN TELEGRAPHIC AGENCY, three persons were wounded when the Albanian police fired in order to control a crowd gathered outside the U.S. Embassy early this morning in Tirana, eyewitnesses stressed.

About 300 persons attempted to enter the embassy on the third day of similar scenes, which were evidently caused by an announcement in a local newspaper that the United States is looking for emigrant workers. The story was strongly denied yesterday by the embassy.

Eyewitnesses stressed that the police opened fire after several persons attempted to climb over the embassy wall sometime after midnight. The police arrested a number of persons and surrounded the area.

Meanwhile, the U.S. Embassy expressed its concern over certain persons who seem to be spreading unfounded information according to which the embassy will be opened to those who seek asylum, or that the embassy will issue special working visas. The embassy has no plans to accept those who seek asylum. U.S. laws do not allow U.S. embassies to grant asylum in this way.

At the same time, the embassy has no authority to issue special visas. All reports claiming that the embassy will grant asylum or special visas are false and contrary to reality.

Radio Reports on Greek 'Commando Group'

AU2403185295 Tirana Radio Tirana Network in Albanian 1430 GMT 24 Mar 95

[FBIS Translated Text] Judicial sources from Ioannina reported yesterday that, following doubts that they were attempting to perpetrate a terrorist act, the seven members of the Greek commando group who were detained near the Albanian-Greek border on Sunday were taken into temporary custody. The attorney and investigator in the case accused them of illegally possessing and transporting weapons.

Greek Public Order Minister Stilianos Papathemelis declared earlier that they belong to the extremist organization MAVI [North Epiros Liberation Front], which is held responsible for the attack on an Albanian barracks in April of last year.

Anastasoulis, the group's supposed chairman, yesterday denied all charges brought against the commando group, pointing out that they were on an excursion in this area and accidentally discovered the weapons in a hollow. They also denied belonging to MAVI, thus refusing to condemn the operations of this organization.

The Greek Foreign Ministry has declared that it will set up an official investigation into the acts of a Greek official at the Greek Embassy in Tirana. (Panajotis Muleris) has been recalled to Athens after MAVI brochures were found in his possession at the embassy, two days before Minister Papoulias's visit to Albania.

Tirana and Athens reacted to this event at the beginning of the week, and pledged to find out what was behind these extremist forces that seek to undermine the good relations between the two countries.

Visiting Romanian President Meets City Officials

AU2603184595 Tirana Radio Tirana Network in Albanian 1230 GMT 26 Mar 95

[Report by Zamira Koleci from Kavaje]

[FBIS Translated Text] Romanian President Ion Iliescu arrived in Tirana this morning on a two-day official and friendly visit.

Invited by President Berisha, Romanian President Ion Iliescu has come to Albania after 48 years. At the moment of arrival, Iliescu declared to reporters that he had been looking forward to his return to Albania with an emotional charge.

Albanian-Romanian relations, which were frozen during the Communist regime, strengthened after the establishment of democracy in both countries. President Berisha's visit to Romania in May of last year marked a further improvement in these relations, in which today's visit by Romanian President Iliescu is likely to underscore new developments.

We are anticipating with pleasure the exchange of opinions and experience, with the desire of further developing bilateral relations, Iliescu told reporters, stressing the importance of these relations at a Balkan level. the two couhtries should be factors of peace and stability, Iliescu concluded.

President Berisha considered the first visit by the Romanian head of state to be a very important event in the traditional friendship between the two countries, which by all means will further encourage development and cooperation in all fields.

On his two-day visit to Albania, Iliescu is accompanied by the ministers of foreign affairs and education, as well as a group of businessmen and reporters.

Council of Ministers chairman Aleksander Meksi, People's Assembly deputy chairmen Tomorr Malasi and Shaqir Vukaj, Foreign Minister Alfred Serreqi, and other prominent figures welcomed the high-ranking Romanian delegation at Rinas Airport.

The Albanian ambassador to Romania and the Romanian ambassador to Albania were also present.

The first day of Romanian President Ion Iliescu's stay in Albania has been programmed as a private visit, which, as President Berisha said, constitutes the most friendly component of this visit.

After leaving Rinas Airport Presidents Iliescu and Berisha, stopped at a villa situated in the Durres hills, where they were received by Durres Mayor Golemi and district deputies.

After enjoying the view from the villa on a hill overlooking the entire city, a friendly meeting was held.

Durres mayor Golemi acquainted President Iliescu with the prospects for Durres as regards the economy and tourism. The twinning of Durres with Constanta in Romania, cities united by the same geographic position and common touristic values, was considered to be a possible project to be realized in the future.

Ion Iliescu, who had visited Albania 48 years ago as a volunteer on the first Durres-Peqin railway, recalled among other things the works of Albanian artisans, which left a special impression on him.

President Berisha considered the encouragement and development of this popular industry to have value in increasing employment, as well as in preserving folk art traditions.

Berisha and Iliescu then stopped at the Egnatia Hotel at the entrance to the city of Kavaje and held a meeting with local authorities, district deputies, and a number of Kavaje citizens who had worked on the Durres-Peqin railway.

The two presidents and the delegations accompanying them will have lunch in Vlore.

Iliescu Interviewed

AU2603205895 Tirana TVSH Television Network in Albanian 1800 GMT 26 Mar 95

[Report by Timo Luto; recorded]

[FBIS Translated Excerpt] [Passage omitted] Expressing evident satisfaction over this visit, Romanian President Ion Iliescu warmly hugged President Berisha, who was at the aiport to welcome him.

On this visit to Albania, Romanian President Ion Iliescu is accompanied by Romanian Foreign Minister Teodor Melescanu and Education Minister Liviu Maior.

[Luto, addressing Iliescu] Mr. President, welcome to Albania! This is the second time you have come to our country. What is your message for the Albanian people?

[Iliescu, in Romanian with superimposed translation into Albanian] First of all, this is a message of friendship. After 48 years, I come here with an emotional charge. We are following with interest all the processes taking place in your country, in Albania, and the transformation of your economy into a lively and competitive market economy. I received Mr. Berisha in Romania with great pleasure. We are now resuming this relation by responding to that visit. We welcome with pleasure any exchange of opinions and experience, with a desire to develop bilateral relations between our two countries further and to transform this factor of cooperation between us into a factor of stability and peace in the region. Thank you.

[Luto, addressing Berisha] Mr. President, what does this visit by the Romanian head of state constitute for our country?

[Berisha] The first visit by the Romanian head of state to Albania is an extremely important event in the traditional and friendly relations that have existed for a long time between Albania and Romania. President Iliescu comes to Albania as a friend of Albania. I am convinced that this visit is a further stimulus to the development of an all-around cooperation between Albania and Romania. I am very pleased that President Iliescu is starting his visit with a private day, which constitutes the most friendly component in his visit.

[Passage omitted] Responding to this greeting at the Kavaje hotel, Mr. Iliescu expressed his gratitude for the warm reception, which he considered an expression of the old friendship that exists between two of the most ancient peoples in the Balkans. Our two peoples are united by a common and long fight for freedom and national liberation, Iliescu said. Not without nostalgia, Mr. Iliescu related that he had worked in Rrogozhine for one month, in the construction of one of the bridges of the new railway. He recalled the enthusiasm of the Albanian people to set up a new and free life, but the totalitarian regimes in both Albania and Romania suppressed this aspiration and the pure enthusiasm of both peoples.

The talk then focused on Romanies. On this occasion, President Berisha stressed that interethnic minorities in Albania have historically expressed understanding, and all are today integrated into Albanian life and contribute to Albania's prosperity. The Romanies represent a model of coexistence, tolerance, and understanding with all Albanians, Berisha said, adding that they have made a significant contribution to the Albanian history. [passage omitted]

In the city of Vlore, Presidents Iliescu and Berisha held a meeting with local government leaders and district deputies, who said that the good relations existing between the two countries should be extended to a municipal level.

The Romanian delegation had lunch in Vlore and returned to Tirana this afternoon.

Official talks are to be held tomorrow.

Meksi Returns Home After London Visit

AU2603154695 Tirana TVSH Television Network in Albanian 1900 GMT 25 Mar 95

[FBIS Translated Text] Prime Minister Aleksander Meksi returned to Tirana this afternoon after a two-day visit to London at the invitation of British Lord Rothschild.

During his stay in the British capital, Prime Minister Meksi was received at the Foreign Office by Minister of State Douglas Hogg, with whom he held official talks about bilateral relations and their future prospects.

Mr. Meksi underlined the importance our country attaches to relations with Great Britain, particularly in the political aspect, and assessed the support that was granted to strengthen democracy. Meksi requested a greater contribution of British capital in various sectors of economy.

He also stressed that the Albanian Government is confident that it will be supported in its efforts to join the European Union, and that it sees in Great Britain one of the powerful states to create conditions for Albania to be expeditiously integrated into all EU structures.

Mr. Hogg expressed special interest in the level of foreign investments in Albania, the prospects of the chromium industry, and the importance of the participation in Albania of such dignitaries of British capital as Lord Rothschild and (Sansbrey).

Mr. Hogg also showed interest in the level of political contacts and contacts of common people, the ties between Albania and Albanians in Kosova and Macedonia [The Former Yugoslav Republic of Macedonia, FYROM], and the situation of Albanians in Kosova. He stressed that the British Government has not disregarded and will not disregard the problem of Kosova and the solution of the issue of Albanians living in Kosova.

Hogg showed interest in Albania's relations with Greece, assessing Papoulias's visit, as well as relations with Macedonia, etc.

Friends and admirers of Albania, lords and distinguished personalities, diplomats, scholars, and archaeology experts took part in the inauguration ceremony of the Butrinti Foundation, which stressed the importance of the creation of this foundation in contributing to strengthening the ties between Albania and Great Britain.

During his stay in London and responding to the interest of London media, Prime Minister Meksi gave an exclusive interview to newspaper THE EUROPEAN and to the BBC's Albanian section.

At a news conference, Meksi also responded to the interest of journalists from THE ECONOMIST, THE TIMES, THE FINANCIAL TIMES, THE OBSERVER, etc. Meksi also held a meeting with British businessmen who showed interest in investments in Albania.

Defense Minister, Delegation Visiting Malaysia

AU2503205295 Tirana TVSH Television Network in Albanian 1900 GMT 25 Mar 95

[FBIS Translated Text] At the invitation of the Malaysian defense minister, a military delegation led by Albanian Defense Minister Safet Zhulali departed today for an official visit to Malaysia.

Serreqi Back From Israel After Bilateral Talks

AU2503201895 Tirana Radio Tirana Network in Albanian 1330 GMT 25 Mar 95

[FBIS Translated Text] Foreign Minister Alfred Serreqi returned to Tirana yesterday after paying a three-day visit to Israel as head of a governmental delegation.

As has been reported, Minister Serreqi was received in separate working meetings by top Israeli state officials, including President Ezer Weizman; Prime Minister Yitzhaq Rabin, Foreign Minister Shim'on Peres, and deputy chairman of the opposition, (Dr. Eliahu ben Elisar), of the Likud Party.

At all the meetings, they expressed satisfaction over the good course of bilateral relations and a commitment to further expand and implement them.

The high-ranking Israeli personalities stressed that Israel will do its utmost to strengthen cooperation with Albania, particularly in agriculture, industry, infrastructure, tourism, construction, culture, various qualification courses, etc. In this framework, they expressed the importance of signing bilateral agreements of an economic character.

To implement this cooperation, the two sides agreed to start work immediately to convene a meeting of the joint governmental commission by the end of April this year.

Minister Serreqi asked the Israeli authorities to create a possibility of temporarily employing Albanian citizens in the agriculture and construction sectors.

During its stay in Israel, the Albanian delegation held meetings with businessmen and financiers and visited important Israeli industrial and agricultural centers.

Officials Discuss Cooperation, CE Membership

AU2503165295 Tirana TVSH Television Network in Albanian 1900 GMT 24 Mar 95

[FBIS Translated Text] The Press and Information Office of the People's Assembly reports that Presidency chairman Pjeter Arbnori today received (Hans Peter Fuehrer), political director of the Council of Europe [CE]. They discussed the favorable cooperation carried out so far between the Albanian parliament and the CE on additional programs in the future.

Mr. (Fuehrer) considered positive the laws and codes approved so far by the Albanian parliament. They also discussed Albania's joining the CE as soon as possible.

Berisha Outlines Accomplishment of PD Goals

AU2503201695 Tirana TVSH Television Network in Albanian 1900 GMT 22 Mar 95

[Article by Vjollca Vokshi on news conference by President Sali Berisha in Tirana on 22 March; Berisha statements are recorded]

[FBIS Translated Text] [Vokshi] Reporters who attended the news conference considered it to be the longest given by President Berisha. For one and a half hours, President Berisha today drew up a balance sheet after three years of government by the Democratic Party [PD]. Berisha analyzed at length the main goals of the PD program proclaimed on 22 March 1992 that have been accomplished—and those that have not. Three years are not many, Berisha says. However, for the difficult democracy that Albania is trying to establish, they are many. They are like 300 years.

[Berisha] For the first time, we managed to have a linear and even development of democracy in Albania. That is why I stressed before that these years are very important in our history.

[Vokshi] In his analysis, President Berisha focused long and hard on the difficulties faced by the PD as it started on its road—the catastrophic isolation of Albania, a completely unsuitable reputation, and exoduses on a biblical scale that largely hurt our society.

[Berisha] I hope that even in our fantasies none of us here can hardly imagine conditions more difficult than these. However, in three years, I can say that that program that was placed before the Albanian electorate in March not only liberated the country from the catastrophe by which it was being engulfed but, after three years, managed to face its goals and their accomplishment. The program fully managed to transform Albania into a country in which the market economy and the law-governed state are in the process of being consolidated.

[Vokshi] President Berisha cited facts about the accomplishment of the program in foreign and domestic policy. As regards the first, no one can deny, today, the overcoming of Albania's isolation; the determination of its natural orientation toward the West; or the establishment of alliances and traditional natural friendships with Germany, the United States, Italy, Greece, Turkey, Switzerland, and many other countries. Thanks to Albania's efficient policy, assistance has been ensured to support domestic economic reforms and their efficient use, internationalize the Kosova issue, further integrate Albania into European and world institutions, etc.

However, achievements in the domestic field are more important for President Berisha. He links them together, as there could be no achievements in foreign policy without strengthening the market economy and developing reforms in Albania.

In these three years, the protection of Albania's independence and sovereignty; the freedom of thought and free expression; the freedom of assembly and organization, and of movement, conscience, and condition; the freedom of property; and the freedoms and rights of minorities are achievements accomplished in domestic policy. We can also mention the approval by the parliament of 373 laws and decrees that replaced the communist laws; the efforts to draft and approve the constitution; achievements in the judicial and local power, etc.

As regards the economic sector in these three years, we can say that Albania had the greatest economic growth in East Europe for two consecutive years. Inflation has been reduced 25 times, compared to 1991. More than 55 percent of the GDP is produced in the private sector. From 44 percent three years ago, the budget deficit will be 7 percent this year. Over the past three years, total deposits increased several times. We can list here achievements in the rapid privatization of the economy, the full opening of the road to foreign investments, etc.

President Berisha is aware of the fact, and admits, that our efforts and achievements have not been up to the level of promises made in several other points of the PD program, such as heating, and supplying the populace with water, and electricity. Here, two major factors are most important for President Berisha. First, on the economic level, the bitterest inheritance left over from the communist system and the major punishment it carried out with its full collectivization was to leave the country without infrastructure, practically placing it among Third World countries. Thus, Albania was proclaimed electrified but, in fact, all electric installations and the distribution grid were calculated only for simple heating, and not for other purposes. Today, the household consumption of electric energy according to the areas is five to 15 times greater than in 1991.

Second, setting up new water treatment and electric systems would require no less than billions of dollars. And this cannot be achieved in three, or five, or even six years.

Based on figures, facts, and data on the three-year development of democracy in Albania, which were summarized in a report distributed to journalists at the beginning of the news conference, President Berisha came to his conclusion:

[Berisha] Thus, in general, after three years, I can assert that the PD has kept its word.

[Vokshi] In achieving this, Berisha assessed highly the contributions of the Albanian people.

[Berisha] In realizing and implementing this lies the toil, sweat, talent, devotion, and creative genius of hundreds and thousands of employees of the administration. In its implementation lies the great merit of thousands and thousands of workers, peasants, and employees who supported democracy in Albania despite their party convictions, who supported the reform as the best alternative for developing the country and making it prosper. Here, in front of you, I would like to express my deepest gratitude to them all.

[Vokshi] After an approximately one-hour analysis by President Berisha, reporters continued with questions about the PD's goals in this remaining quarter of its mandate: the possibilities of realizing its unaccomplished targets, such as water supply, electricity, heating, etc.; goals for the present and future of foreign investments in Albania; relations with the opposition; the problem of the constitution, etc.

Regarding foreign policy issues, the reporters' questions and the explanations by President Berisha concentrated on Albania's relations with the EU countries and on the situation in the region of the Balkans prompted by a bilateral will to improve Albanian-Greek relations despite current trends.

[Berisha] The [Greek] terroristic bands will not manage to make falter the determination of our two countries [Albania, Greece] as regards the development of friendship and cooperation between us.

[Vokshi] Regarding the Kosova issue, President Berisha believes in a useful Prishtina-Belgrade dialogue.

PKK Reportedly Threatening Iraqi Ambassador

NC2603180395 Cairo MENA in Arabic 1720 GMT 26 Mar 95

[FBIS Translated Text] Sofia, 26 Mar (MENA)—Vaslin Koshev, head of the Bulgarian Liberal Democratic Party, [name and title as received] stated today that ever since the Turkish attacks on the Kurdish locations in northern Iraq started, al-Sa'id Muhammad Amin Ahmad, the Iraqi ambassador in the Bulgarian capital, Sofia, has received many threatening phone calls. Koshev pointed out that as a result of these threats, the Iraqi ambassador has been forced to leave Sofia for an unknown destination. The Iraqi Embassy has refused to give any additional information. However, despite the fact that the embassy confirmed that the Iraqi ambassador is not in Sofia, it denied any knowledge of any threatening phone calls.

Turkish Embassy sources in Sofia told a MENA correspondent that they believe members of the banned Kurdistan Workers Party [PKK] are behind the threats to the Iraqi ambassador. They confirmed that Turkey had previously warned the Bulgarian Government that a number of PKK members who have managed to enter Bulgarian territory illegally are carrying out activities that might harm relations between Sofia and Ankara.

New Party's Leader Outlines PDC Aims

AU2703082895 Sofia STANDART NEWS in Bulgarian 22 Mar 95 p 18

[Interview with PDC chairman Ventseslav Dimitrov by Ilka Radeva; place and date not given: "Union of Democratic Forces Opened Up Political Space for the Bulgarian Socialist Party"]

[FBIS Translated Excerpt] [Passage omitted] [Radeva] Mr. Dimitrov, what electorate will your new party have? The party was originally formed five years ago as the United Democratic Center, which later became the United Christian Democratic Center (UCDC). Two days ago, the UCDC crystallized out into the Democratic Center Party [PDC]. In your view, what position will the party occupy in the political spectrum?

[Dimitrov] We want our party to represent business, the middle class, and the intelligentsia, which form the most dynamic section of society. Everybody knows that Christian Democracy is based in principle on centrist or right-of-center policies. In Germany, the Christian Democrats are themselves a centrist party, while In Austria and Spain they are a people's party. The party defends private ownership. Its voters come mainly from the middle class, are property-owning businessmen and farmers. This is the answer to why we formed a coalition with the BZNS [Bulgarian National Agrarian Union] within the People's Union. Farmers in the West always vote for centrist or right-of-center parties. Our party will also take on new commitments, but we will never assume leftist ones. It was when such parties were in power in Germany that the concept of a socialist market economy was formed. Dr. Dertliev made much play with this, but the concept was invented by the Christian Democrats, not the Social Democrats. Just as important is the PDC's association with universal Christian values—with the realization that if the rich did not exist, the poor would merely increase, and that the first in the land should help the others.

[Radeva] Your congress in Gabrovo gathered together people who have become dissidents in the last two years. Do you regard them as a nucleus for the formation of a broader democratic coalition?

[Dimitrov] It will be difficult to form such a coalition. Look here, no one has managed it yet. It is more important to form a reasonable coalition when you are in power than when you are in the opposition. We have had our lesson about losing power when the coalition is weak. We want to attract people who are well-disposed toward us and want us to work together. Such people include the Podkrepa Labor Confederation, Ludzhev's and Pushkarov's New Choice, the DPS [Rights and Freedoms Movement], and Margarit Mishev's monarchist organization. We are seeking figures like Stoyan Ganev and Emil Koshlukov, who are far from being political hasbeens. We will aim to form a coalition with all political forces, apart from the BSP [Bulgarian Socialist Party]—but we did not discuss this matter at the Gabrovo conference. [passage omitted]

[Radeva] In your opinion, how will the political vacuum be filled?

[Dimitrov] I said two years ago that there was a great danger that the SDS would open up political space for the BSP. The original idea was for the SDS to occupy the whole political spectrum and push the BSP, as the representative of totalitarianism, into the corner. Instead, however, a huge political vacuum opened up. The BSP filled the left side of this vacuum. The danger now is that the BSP may fill the right side as well—because, as you know, Ivan Kostov is attacking the BSP from the left, complaining that the Socialists are following a right-wing policy.

If you are a right-wing party and someone pursues right-wing policies, you should either cheer them on or attack the things that they are not doing well. Otherwise you move to the left and run a great risk of turning the SDS into a party of the poor and unsuccessful. There may well be many such people in Bulgaria, but personally I do not want the SDS to turn into this.

[Radeva] Do you feel any responsibility for the total breakdown of the SDS?

[Dimitrov] I regard myself personally responsible for the people that I introduced into the SDS, such as Ivan Kostov and Ivan Kurtev. I feel personally to blame for my support for Filip Dimitrov, who has proved to be a person lacking the necessary qualities.

[Radeva] Are you inclined to seek points of contact with the SDS in the local elections this September?

[Dimitrov] Of course. We simply have no other choice. The SDS is still the largest and most powerful opponentto the BSP. We will be obliged to nominate joint mayoral candidates with all the noncommunist forces outside the BSP, including the DPS—otherwise we are doomed to fail. As regards the election of municipal councillors, I believe the People's Union should run on a separate ticket, because otherwise it will lose its identity. [passage omitted]

Havel Address to Deputies on State of Nation

AU2403131695 Prague LIDOVE NOVINY in Czech 15 Mar 95 pp 7-9

["Complete text" of the speech delivered by Czech President Vaclav Havel to the Czech Parliament's Chamber of Deputies in Prague on 14 March: "One Era Is Coming To an End—What, Then, Will Be Next?"]

[FBIS Translated Text] Esteemed prime minister, esteemed deputies, esteemed government, esteemed guests,

The desire to step across the horizon of the given moment, to relate to the future, to seek specific objectives in it, and to comprehend it not only as fate, but also as a task, evolves from the very essence of the human spirit. And, if in our society today the need to somehow pinpoint the spot at which we find ourselves is getting stronger, and also—perhaps—the need for a new perspective and a new motivation, then this is definitely not by chance.

A certain era is indeed coming to an end.

But, what in fact is coming to an end? Why is the question about the future being raised more often today than, for instance, a year ago?

If we disregard for a moment all the natural differences between the various political entities and personalities that have articulated and implemented the social tasks of the last five years, we tend to find a relatively broad consensus on certain basic things, a consensus corresponding to the majority will of our citizens. The reestablishment of all the tried-and-tested democratic institutions, the resumption of scope for free civic accomplishment, and the revival of a market economy and private enterprise have come about as a result of these generally accepted tasks. Thanks to this consensus, the basic—so to speak crude—systemic prerequisites for this revival were established during the five years that separate us from 1989: We have a new democratic Constitution; a freely elected parliament and a government that enjoys its trust; an independent judiciary; a pluralist political system; and freedom of speech, assembly, and movement. We have tens of thousands of private businessmen and millions of shareholders and a definitive number of enterprises already have their specific owners. The basic macroeconomic indicators, such as the rate of inflation or the level of unemployment, are very favorable and, for the first time since the commencement of reform, economic growth has again been recorded. Our society has managed to achieve all of this very quickly and without fundamental shocks.

These are, undoubtedly, good results and all our of citizens and, of course, their political representatives deserve recognition for this. That means you, deputies and the current government, and the previous governments as well as everyone else who entered into political life after November 1989.

Nevertheless, the question of what will be next may be being raised because these fundamental systemic changes have succeeded so quickly and well.

What, then, will be next?

Obviously, we are entering into a phase in which we have to deal very responsibly and thoroughly with much more delicate, but no less important, tasks than any we have dealt with until now. Tasks for which it will be inordinately more difficult to find a general consensus. If it is an irrefutable fact that we are a democratic state with a market economy, then more delicate issues are revealing themselves to us: What will be the nature of our democratic state in the future, in what direction will it embark, what kind of role will it adjudge itself, what will it support, and against what will it intervene? To date, we have dealt with the basic forms of political, intellectual, civic, and economic life. Now, we will have to deal far more with its actual contents and its long-term prospects and seek the means for improving, with regard to the state of their contents, the forms created.

The answer to the question what will be next should be sought by everyone who feels competent to do so and no sensible opinion should be shouted down or go unobserved.

Allow me to reflect here today on some of the selected topics from the world of tasks that lie in store for us.

Time for a Real Discussion

The basis, or ideal, of each state is the set of values on which its citizens agree as the principles for their coexistence in it. The values on which the present-day Czech Republic is based are generally known and are defined by our Constitution. This does not mean, however, that everything ends with this. On the contrary. It is necessary to recall them again and again, to think about them afresh and more thoroughly, to project them into our teaching and education and the public consciousness in general, and to have them within our perceptibility in the exercise of legislative, executive, and judicial authority and as a rule in political practice. If, to date and for understandable reasons, the predominant interest in political work was in the formation or restructuring of the basic institutions and the mechanisms and technologies of a functioning democracy and market economy, then today we are obliged to deal far more intensely with their purpose, that is, with the values that these institutions and mechanisms should serve. The era of oversimplified ideological verbal frippery or even dogmas should come to an end and an era of genuine discussions on the spiritual roots, traditions, principles, and prospects for our new statehood and how to best serve it should begin.

Human Rights

Respect for human rights is one of the pillars of a civic state and a modern democracy and, consequently, also of our constitutional, legal, and political order. It was not by chance that it was the ideal of human rights that in our country, as in the other countries of the former Soviet bloc, united those who openly defied the communist regime. The struggle for human rights was a struggle for democracy. And, the November collapse of the totalitarian regime was, first and foremost, a victory for the general desire for these rights. Respect for them also formed the basis of the general consensus in the post-November period and determined the course of the restructuring of our legal code. Despite this, it would be incredibly dangerous if we were to deduce from this that this battle has been won and that we no longer have to concern ourselves with human rights, because we have all of them. Respect for human rights is not an event whose end can be defined in time, for example, such as privatization, but is a permanent condition of the universal spirit that has to be nurtured and cultivated consistently. It is impossible to say about any country in the world that human rights are not being infringed in it, and it is impossible to say this about the Czech Republic. Yes, we have a Charter of Fundamental Rights and Freedoms. You legislators are trying to bring all of our laws into harmony with this Charter. The Constitutional Court is even keeping an eye on how you are doing this. This is all good, but it is still not enough. If for no other reason than because the purport of a law is that it is valid, observed, respected, and applied. However, it can only function like this in an environment that is favorable to it. Or: Concern for a law has to be accompanied by concern for the environment in which it is to function. I think that this is one of the areas toward which we should now be focussing increased attention.

Human rights should once again become—and remain forever—an active political topic. This means that all politicians should concern themselves about them and project this concern into their political activity. If this concern is lost from politics, this will have a bad influence on the climate of public life and society itself—that is, the most important entity—will begin to be indifferent to this matter, something that would necessarily begin, sooner or later, to be projected retrospectively into the execution of state administration and justice and, finally, it might be reflected in the very formulation of the law. So, we should not reject nervously in advance any critical voice, no matter where it comes from, but, on the contrary, we should pay serious and unbiased attention to it and, if we ascertain that it is justified, we should seek immediately a way of putting things right.

Nurturing respect for human rights as a basic prerequisite for a dignified human life should become an integral element of our entire teaching and educational system.

We must also think, seriously and without prejudice, about the possibilities for the systemic and institutional improvement of concern for human rights. In my opinion, it is not enough to rely only on enlightened teachers, civil servants, police officers, state representatives, or judges. There should be an institution that would monitor comprehensively the situation in this sphere and provide a timely warning to various bodies, including parliament, about possible risks to human rights and give these bodies impulses or suggestions. Such an institution would also investigate the citizens' specific complaints. I know from the activity of the Office of the President of the Republic that many people find themselves almost in an impasse in which no extant state body can, within the framework of its decision-making capabilities, help them no matter how hard it tries, because the issue often involves a problem that lies somewhere at the intersection of the social, moral, administrative, legal, and psychological spheres. Therefore, I am asking you to consider again the possibility of establishing an ombudsman or other institution that would fulfill this task.

After all, we know that in our country we still, unfortunately, encounter manifestations of racism, anti-Semitism, bureaucratic disparagement of citizens, asocial behavior, bullying, oppression, and many other terrible things whose common denominator is disrespect for human rights. It would be an unforgivable failure of policy if we were to reconcile ourselves to this and hope that the situation will rectify itself.

Fulfilling the Constitution

Another dimension of this set of values that we are now banking on is the idea of a law-governed state. Our entire legal system is undergoing dramatic changes; we have to make up rapidly for the delay caused by communism. Moreover, our laws have to make the unprecedented transformation process possible, first and foremost, in the economic sphere, but far from only in it. All of this places great demands on the government and, mainly, on you who pass the laws and it means that, under the pressure of everyday life, you many a time have to amend the same law several times. Everyone understands this. Nevertheless, we should not forget one thing: If the principle applies that ignorance of the law is no excuse and that what is not prohibited is permitted, then it means that the legal system must be transparent and intelligible. Therefore, both the government and deputies should in the future concentrate to an increased extent on the issue of how to make our legal system more transparent so that the citizen can find his way in it.

The Constitution is, understandably, the fundamental law. You who are sitting here will go down in our society's history as our constituent parliament. I doubt that you will want to go down in it as a parliament that failed to comply with the Constitution that it approved. Therefore, I am again stepping in to ask you to agree on an electoral law that would make the election of a Senate possible.

The constitutional status of the Senate as well as the fact that elections to it will be held according to the majority principle invite the parties or electoral coalitions to nominate to the Senate various trustworthy representatives from our public, economic, and intellectual life who need not be immediately associated with these parties in the general consciousness and who may not even want to become professional politicians, but whose achievements inspire widespread respect, however. This would make it possible to create a body of people who are interested in the proper development of our republic and are willing to do something for it without having to sever their ties with the spheres in which they operate. These would be individuals who could interlink everyday civic life with their political activity and would offer our political life the possibility of not being gripped imperviously by the strict party principle alone. The Senate could become, if I may express it so, parliament's "other conscience," capable of introducing a different view into parliamentary work from time to time, a view other than the one those who were elected, first and foremost, as the representatives of their party are obliged to hold. I have an ever more intense feeling that such a manner of enriching our political system could significantly improve its general credibility.

State Administration

The backbone of every well functioning and stable state is a well functioning, stable, and effective state administration. We all know what it should be like: Impartial, reliable, efficient, just, incorruptible, not abnormally large, and accommodating because it is based on the knowledge that the citizens pay it to serve them and not for it to behave toward them as an authority; at the same time, however, it should enjoy general esteem. I firmly believe that the long-prepared law on the civil service will be a significant step in this direction. Nevertheless, this will still not guarantee automatically a more principled and better state administration. Its development from the situation that we inherited to a situation that would be desirable will probably require a very long time, a great deal of attention, and a lot of care. It is also important to think about the future and create the kind of conditions that would mean that no one will consider the profession of civil servant to be something inferior or out and out unsuitable, but, on the contrary, sui generis as a distinction as is already the case in many advanced countries.

The Army and the Police

Apart from the civilian state administration, every democratic state has two other pillars: The police and the army. The citizens' continuing trust in the state is, consequently, dependent to a certain degree on their trust in these three elements. But, not only that. The credibility of any of these elements conditions or influences the credibility of the others. Therefore, if we want to do something to increase overall the citizens' trust in the state, then we have to increase in tandem confidence in all of these three elements.

The higher crime rate means that, for understandable reasons, the greatest attention today is focused on the police. Therefore, I would like to mention the army, which, I am afraid, is still a little in the shadow of the other elements. I think that it is only possible to consider a society that is resolved, in the case of need, to defend its freedom to be a truly democratic society. The army is the basic instrument of this defense. Its condition and its combat readiness, however, do not only depend on it and it would be extremely naive if we were to think that it is enough to apportion an appropriate sum from the state budget to the army and, thus, our obligation to take care of our own defense would be fulfilled. The army is made up of our fellow citizens and it is not somewhere beyond space and time. Its condition is, consequently, just a reflection of the condition of society and if society acts indifferently to its combat readiness, then the only consequence of this can be an indifferent army.

We do not have an indifferent army. Almost unnoticed, it has undergone many extremely difficult tasks, from the division of the Federal Army to the comprehensive change in its deployment, proceeding from the new interests of our democratic state, and its structural transformation. By its activity abroad, it has brought greater prestige to our republic than the majority of our fellow citizens realize. It has gone through an extensive personnel change over in its corps of commanders. I think that it deserves more obvious public recognition for all of this than it is getting at the moment. After all, almost the only things that we hear about the army today are that bullying and stealing take place in it and that the majority of its officers also served under communism.

It is impossible to expect miracles from the army and, at the same time, make it clear to it that it is tolerated out of necessity alone. Let us not forget that, although no one is actually threatening us at the moment, apathy about defending our country could be particularly dangerous at this time. After all, we are living through a period in which our security mooring in Europe and the world for decades to come is being decided and no one will give us any security guarantees if we ourselves do not manifest the will to defend our country and the will to take part in the broader defense of the values that we share with the world we feel we belong to.

So, I would like to ask you to pay the appropriate attention in your work to our army and, first and foremost, to the new legal norms that it is waiting for impatiently and that will facilitate, in many respects, its rather difficult situation.

The Political Parties

If the state administration is the backbone of the state, then the political parties are the backbone of the political system or its basic instruments under the conditions of political plurality. I am not an opponent of political parties as is often claimed about me. I just think that the parties should only play the role appropriate to them. To be a medium that absorbs the most various impulses and formulates its political program on their basis, a program that it will then offer to the voters in the elections and thus facilitate their decisionmaking. At the same time, they are a medium for creating the profile of political figures, a mechanism for agreement between similarly politically oriented members of the representative bodies and others, and a device that considerably facilitates, first and foremost, parliamentary work. What I am opposed to is something else: The nontransparent and excessive blending of the parties and the state administration or of the parties and economic life or of public life in general. The state is one structure and the political system is another, more of a supportive one, that is, a structure that makes it possible for the state's political leadership to be in the hands of the people that represent the views to which the voters give priority. I consider every attempt to place the parties above the state or to perceive the state as the mere plunder of the party struggle for power to be dangerous, and I do not know why blind loyalty to the leadership of a specific party or a mercenary inclination toward it should generally and automatically place some people at an advantage over others. I am not claiming that such conditions prevail in our country. I am just warning of the risk from them. After all, there are enough examples from the past and present that indicate where the immoderate "partifying" of public life can lead.

A great deal has been said recently about financing the political parties. Let me offer you one topic for consideration: Whether a special fund should not be established by law—something like a political development fund—from which the parties would receive both a contribution from the state budget and the sponsors' donations specifically intended for them. Such a system would guarantee public transparency for the sources of the parties' funds and, at the same time, could function as a professional device for verifying their credibility, which would rid the parties of the need to fill a function for which they are not intended.

Allow me, at the end of this section, to voice one serious concern. I have the feeling that in our political life something is beginning to gain ground too quickly, something that it is probably hard to avoid in politics, but, nevertheless, should be, in the general interest, kept within appropriate bounds. What I mean is the struggle for personal or party prestige, the struggle for publicity, the mutual envy and jealousy, the unwillingness a priori to accept an idea put forward by someone else just because he expressed it first, and the lack of gentlemanly cooperation. By saying this, I am not just alluding to the not too good relations within the governing coalition, but also to the mutual relationship between the coalition and the opposition. It is absolutely all right for various parties and various politicians to have various views on many things. However, it is not at all all right if they have them only in order to differ from one another.

Decentralization and Self-Administration

Ladies and Gentlemen,

Apart from what the state provides for society directly and what belongs to the traditional budget sphere and could hardly belong anywhere else—such as the country's defense capability, internal security, or the execution of state administration—there is a large area of the public interest or public goods that, to a greater or lesser extent, is also guaranteed by the state, not directly, however, but by entrusting certain functions to other entities or by delegating to them, while these entities are, in an appropriate manner, responsible to it for their fulfillment. This is a tried-and-tested principle of modern democracy, whose numerous advantages include, first and foremost, the fact that it enables society to take part in public affairs more freely, in a more diversified way, and more initiatively than an authoritarian state makes possible and that, consequently, it intensifies the citizens' attitude toward the whole community and their joint responsibility for its welfare. Moreover, it makes it possible for various public interests to be fulfilled far more flexibly, quickly, and competently than if the state administration were to fulfill all of them.

If this principle is also associated with the transfer of certain redistribution processes to a level other than the central budget, it brings considerable savings. The more centralist a state, the more expensive and less sensitive it is to the needs of its citizens. In other words: If someone can do something better than the state, it should be entrusted to him. After the basic systemic changes had been implemented throughout the economy, its development was handed over to free individuals; we should open up this sphere to them far more explicitly. This would involve more subtle changes, the necessity of which may not be so obvious at first glance, but which, in the long term, would perhaps influence the nature of the state just like the changes carried out in the economy.

First and foremost, territorial self-administration belongs to this sphere. There has been talk for several years about the need to reform public administration, to improve self-administration, to separate it more clearly from state administration, and to establish higher territorial self-administrative units. Our Constitution also envisages this reform. Everyone knows that there are things that, because of their importance, go beyond district boundaries and, moreover, should be decided upon by a self-administrative body rather than a state administration body. Many things are still administered or executed by the center, although they could be administered better at a lower level. More than a year ago, you requested an overall concept for this reform, as well as the basic laws that make it possible, from the government. I do not want to evaluate now the materials that the government has given you. I only want to say that I do not understand why this whole incredibly important issue has not been discussed with the intensity that it deserves. Is it to be an election campaign topic again? Are passionate and not too matter-of-fact debates on whether we should have three lands or 30 regions to be stirred up again just when it seemed that the political parties had reached some kind of an agreement on this matter? There are areas in which many things cannot be completely resolved if the laws associated with this reform are not passed, because the statute and ownership of many public goods, from highways to large hospitals and various cultural institutions, depend on them. I do not think that it is right that, after privatization has been more or less completed, many people feel that further changes in other spheres are no longer necessary because their preparation would mean new complications, new disputes, and new tasks. Either the reform of public administration is necessary—and I personally am convinced of this—or it is not necessary and everything should remain the way it is. However, it is necessary to state and explain this clearly and, as the case may be, to amend the Constitution. Prolonging the current unclarified situation and the mere postponement of all decisions is the worst and politically most dangerous option. Therefore, I ask you to focus your attention on this set of tasks again.

Professional Chambers

It seems that the issue of professional self-administration, or rather, of professional chambers is now a hot topic. I am convinced that, in this area too, it is possible to find a balanced model that would entrust to the chambers precisely those powers that they could exercise better than the state and, at the same time, would guarantee an appropriate procedure for their responsibility to the state for their execution of these powers. Admittedly, there is not a single solution that would be the same for all chambers; some things are clear, however. For example, I cannot imagine why a civil servant should decide which lawyer can pursue his profession and which cannot. Lawyers that frequently defend their clients against the state have to be independent of the state and it is in their own interest and a matter for their professional reputation for them to supervise what kind of people carry out their profession. Similarly, I cannot imagine why it should be up to a civil servant exclusively to decide which doctors are qualified to carry out their profession independently. Yes, the state is responsible for basic and accessible health care. However, this does not mean that it itself is the healer. And, as it delegates healing to the doctors, it should, logically, also delegate to them the decisionmaking—understandably, on the basis of precisely stipulated criteria—on who is capable of practicing independently and who is not. Of course, the state should supervise this decisionmaking and also function as a possible second authority. Incidentally, the state also has other devices in this matter with which it can prevent the possible limiting of competition. So, on the whole, I think that we should make use of the experiences of other countries, endorse what is tried and tested, and not experiment on the basis of some a priori judgement that the chambers want to disintegrate the state. If we disregard the countless practical reasons, including economic ones, that speak in favor of leaving certain functions in the hands of a professional self-administration, then a quite fundamental and downright political reason speaks in favor of this: Loyalty to the state cannot be guaranteed forever by subordinating everything to it, but, on the contrary, by manifesting as much confidence as possible in its citizens. That is, whoever sees that the state trusts him will also trust the state.

Nonprofit Organizations

It is impossible to talk about the sphere of public interests or public goods and not, at the same time, talk about nonprofit organizations, one of the fundamental mechanisms for meaningful care for these interests and these goods. As far as I am aware, the appropriate law has already been prepared in an article-by-article version and I have no doubt that the government will take your recommendation from the end of last year into consideration and will submit this law to you in the foreseeable future. The concept of a nonprofit organization is not too ingrained in our country and, therefore, the public may be unaware of the fundamental significance that the establishment of this category will have for our lives. At the moment, the various nonprofit institutions serving the general interest—schools, hospitals, social institutions, theaters, museums, and so on—have very diverse statutes, from budget-funded and subsidized organizations to civic associations. This system is nontransparent, uneconomic, outmoded, and conforms to the former era. It is necessary gradually to transform as many such institutions as possible into nonrofit organizations that will have a single and generally understandable statute that will allow them precisely the level of autonomous existence and intrinsic manangement commensurate to each of them and through which these organizations will be publicly controllable. Common features are that they are financed from more sources, any possible profits have to be used for the purpose for which they are established, and they are exempt from certain taxes or payments, among other things, because it is nonsense to receive a contribution from taxpayers' money and, at the same time, return it in a form of taxation, as is the case, for example, among today's subsidized organizations. Admittedly, the state loses money by this exemption from certain taxes; however, this money is used for things that the state would otherwise have to pay for. Nevertheless, it is used more economically, more transparently, and under the greater influence of those who chiefly administer the given public goods. The founder of a nonprofit organization can be the state, a higher territorial self-administrative unit, a community, and any other legal or physical person, while the appropriate founder, in the nature of things and according to the amount of funds with which the given organization is financed, influences—for example, through its representative on its administrative board—its operation and management. Ownership—to date state or community—may be transferred to nonprofit organizations, of course, with the proviso that, in a certain way, their right to dispose of it freely is limited. The transformation of the existing institutions into nonprofit organizations, of course, will take a certain time and will take place according to individual transformation projects. Nevertheless this entire process should result in an absolutely clear-cut situation that will make the existence and management of all of these institutions considerably easier and will improve their decisionmaking significantly.

I think that there should be as few budget-funded organizations as possible and that these should really only be the ones that are and have to be managed directly by the state, such as the state administration, the army or the police, or the ones that the state does not manage, but pays directly, such as the courts. I see no reason why the majority of the other existing institutions serving the public interest should not have the statute of nonprofit organizations, albeit more or less paid for and supervised by the state. For example, I can imagine a situation in which the majority of schools—first and foremost, secondary schools and universities—have this statute, regardless of whether their founder is the state, a higher territorial self-administrative unit, a community, or private person or other private-legal entity. I can also imagine that the basic network of hospitals and certain health care facilities, which, with regard to the state's responsibility for generally accessible health care and for other reasons, cannot be privatized, will be transformed into nonprofit organizations whose founder would be the state, a self-administrative unit, or other entity in accordance with its function and character. An analogous opportunity presents itself for virtually all of the cultural or social facilities as well as for many public services.

I am convinced that the transformation of the entire nonprofit sector will mean a further major step on the road toward a truly civic state that is based on civic responsibility and on the ability of the civic public to take care of public interests without the intervention or limited intervention of the state. If this transformation were also accompanied gradually by increased write-offs of the taxes on the contributions to certain stipulated spheres of the public interest, that is, to the nonprofit sector, everyone would profit from this and public needs would be satisfied far more flexibly and expeditiously than today, when this sphere is either financed by the state or the community or is dependent on chance donations from sponsors.

Apart from nonprofit organizations, there will always be, of course, other nongainful organizations that are regulated by special laws, such as churches, political parties, foundations, associations, and so on. The establishment of nonprofit organizations and appropriate taxation changes could also facilitate the formulation of these other laws, because this would make the legal environment in which the entire nonprofit or public goods sectors operate clearer.

The Education System

The transformation of our education system and the whole research base is attracting great attention from the public. This transformation could, undoubtedly, proceed better if our political environment were more favorable to it. Therefore, it is necessary to repeat again and again that sensibly targeted investments in the education system—and not only from the state, but also from other sources—will be returned manifold to the whole of our society. The demands for an education in the present world are increasing rapidly and our country can only flourish in the future under the precondition that it will now consider education to be its priority. At the same time, this does not involve a mere increase in the number of experts in the various spheres. It involves much more. In our country, school has traditionally been viewed as the basic arena for creating individuals, self-assured citizens with a range of knowledge, and moral beings, people who love their country and are prepared to do something for it. We should follow up on this tradition by modern means. Renewing this function of a school is not only a task for the ministry, parents, and teachers. Again, as in so many other things, it is up to society as a whole and, to a great extent, to all politicians to really adopt this concept as their own and to develop it systematically.

Health Care

The situation in health care at the moment is rather complicated. From everything that I have heard, in my view, one thing is evident: That the ministry, in a matter-of-fact dialogue with the medical community and the public, should again give some thought to the whole concept for transforming health care and to try to incorporate this concept into a simple, brief, concrete, generally available and generally understandable text that would also contain a clear time frame for the individual steps. What doctors and citizens obviously lack the most is a clear outlook and certainty about what awaits them and when. It should be stated again and unambiguously which facilities or which activities are still being taken into consideration for privatization, how this process will take place, how long it will take, and, on the other hand, which facilities will obtain a nonprofit statute. It should be clear when the law will be submitted, when certain other background materials—such as, for example, the new tariffs—will be ready, and how and when the problem of financing beds in hospitals, nursing homes for long-term patients, and social care institutions will be financed, what guarantees will be given that specialist teams will not be broken up after years of working together, how the insurance system will be improved, what guarantees will be given that a doctor does not just have to chase after points to the detriment of real care and that, consequently, he will not be compelled to take more of an interest in illness than in the health of his patients, how preventative medicine will be supported, what kind of conditions await private doctors, and so on. It is simply necessary to know clearly what awaits health care and when and how this is to be achieved. At the same time, the citizen—as a potential patient—and the doctor, nurse, and health care specialist—as those who, by caring for human life, care for the values that no market forecast can evaluate—should be at the center of the entire system.

Culture

Since the times of communism, when it was perceived as an element of the so-called superstructure, culture has always and everywhere found itself in last place and many people have a tendency to look upon it as a kind of luxury, as an adornment that can only be given what is left over. Therefore, I would like to point out at least that culture is the basic instrument of society's self-awareness. The level of our successes in any sphere depends on the state of our soul, on our self-understanding, on the means by which we are free and responsible. It is impossible to swear constantly by free individuals and, at the same time, overlook the very area in which a human being realizes and articulates his freedom most obviously. It is impossible to rely on the citizen's reason, cultivation, ethics, fantasy, and self-confidence and, at the same time, overlook the sphere where this is born. Culture does not belong either to the base or to the superstructure. Culture is everywhere and influences everything. It is possible that where business flourishes, culture also flourishes. But, the opposite also applies: In a culturally developed environment, entrepreneurial spirit also develops better. Of course, I do not support the soulless state subsidizing of culture that takes place only because this is the right thing to do and does not consider the concrete results and possibilities. I just think that a flourishing culture in the broadest sense of the word is by and large in the public interest.

I will give you an example: Money is needed most to preserve monuments. There can be many sources. However, citizens will hardly contribute toward monuments and sponsors will scarcely support their preservation if a lack of interest in these treasures prevails in the state's policy and it does not provide the impetus for their support. Our attitude toward monuments is not just a sign of our attitude toward our past and toward the treasures that our predecessors created—and, thus, of respect for ourselves as a society—it is also a sign of economic foresight: Money invested in preserving the beautiful things in our cities, palaces, castles, village churches, wayside crosses, parks, gardens, lanes, or entire regions will not be returned directly and immediately and even the best arithmetician will not calculate its returnability. But, despite this, it is obvious that this money will be returned many times over. And, this will not just be in the profits from tourism or from the fact that our country's charm improves its international prestige and attracts investors, politicians, and international organizations. It will be evaluated most in something else: In the good spirit of our coexistence, in the quality of our lives, and in humility before and respect for human creativity that evokes a cultivated environment in people, to put it simply, in feeling good. After all, we all know how much better we feel in a well cultivated park or garden than in those hard-to-define areas that fill our towns and communities and about which it is hard to tell whether they are rubbish dumps, tips, unused land, building sites, or car parks. How can we calculate the value of living in a beautiful environment? How can we put a value on the fact that, face to face with a baroque church, the human mind unwittingly focuses on higher values, that its respect for the harmony of the universe intensifies, and that its moral sense is strengthened? How can we place a value on the fact that a person perceiving the cultural environment that the past has preserved for us is able to create a more civilized environment around himself today than he would have created if he had not had this experience?

Housing Policy

Housing policy is one of the areas in which the profit sphere is wedded in a complicated manner to the public interest. I think it is important that the gradual deregulation of rents, associated with certain social measures for less affluent families—that is, the creation of a housing market—is being prepared and that the conditions for providing mortgages to the future owners or renters of apartments are being prepared. At the same time, however, I am also wondering whether the firms that will build and maintain the apartments or housing complexes should not be given incentives. At the moment, it is advantageous for domestic and foreign building firms to build hotels or villas for wealthier citizens, because these investments are returned more quickly. However, I proceed from the simple idea that the houses or entire housing complexes must exist first of all and only then can the citizens buy or rent apartments in them. This issue may not be the most pressing one at the moment and, perhaps, a free housing market will indeed largely resolve the current problems. We must not only think about today, however. In a few years, especially when the current housing estates begin to show their wear and tear, the situation may be very serious. There will always be socially weaker strata who cannot afford to take out millions in credit to build a family home or buy an apartment, and, given the progressive liberalization, rents will even be rather high for young couples. At the same time, the demands for quality housing will, quite naturally, grow and to rely on them declining would not only be nonsense, but also immoral per se.

Social Insurance

One of the important roles of the state is to provide, on the principle of social solidarity, social security for citizens who have retired at the appropriate age or whose ability to work is limited. The new pension law will, obviously, be the subject of lively debate and I firmly believe that you will eventually reach a consensus. It will still be necessary to give some thought to the well known issue of the transformation of social insurance and its separation from the state budget. I think that this separation would be proper. There are three reasons, to say the least, for this. First, this would emphasize quite unequivocally that pensions are not some kind of gift that the state gives to citizens, but represent the money that citizens have saved for themselves so that they have something to live on when they no longer work and with which they help one another: Those working pay for those who no longer work and, in turn, those who will be working pay for them when they themselves are no longer gainfully employed. Second, this would dispel forever all the suspicions that the state uses some of the money from social insurance for other purposes. Third, this would enable the appropriate state fund to multiply the money acquired in a quite safe and legally stipulated manner, which, ultimately, could be applied to benefit the recipients of pensions. Why not make use of the possibilities the market environment offers in this sector?

Privatization and Restitution

Ladies and Gentlemen,

I think that the Chamber of Deputies and the government are well aware of the other more subtle systemic changes that have to be made in our economy so that those that have already been carried out are assessed really effectively. As we know, further steps are being prepared on the road toward our koruna's full convertibility. Consideration is being given to making the financial and capital market more transparent and clear-cut, to supporting exports, which in the case of our country will always be of fundamental importance, to the instruments, commensurate to a market environment, with which economic growth and the modernization of our enterprises should be supported, to contributing toward making sure that the incoming capital is turned into, so to speak, real and visible investments, and to making life easier for the small businessmen, the backbone of a socially stable and prosperous society, who are just starting up.

But, despite this, there is something here that is being slightly forgotten. Owing to the comprehensive, well conceived, and, mainly, rapid privatization, the majority of our enterprises have their own specific private owners. It seems to me, however, that it is not enough simply to state this and then take no further interest in the new owners. After all, the majority of—until recently—state property belongs to individual shareholders who, at one time, were addressed very volubly by the investment funds. Who has addressed them since that time, however? It is impossible, in this state of affairs, to be too surprised that the majority of people simply view their shares as a kind of lottery ticket and are not sufficiently aware that they have become owners who bear a certain responsibility for their ownership. That is, it should be explained again and again to citizens that, as shareholders, they have two basic options: Either to sell their shares and contribute to a certain concentration of shares and, thus, simplify ownership and make it more transparent, or to look for ways of exercising their ownership rights and accept joint responsibility for the development of their enterprises. After all, the purpose of coupon privatization was not to create a different form of anonymous public ownership, but, on the contrary, to enable all of those who are interested to take part in the decisionmaking on the running and strategy of specific enterprises. It is not my task to think of ways to strengthen the personal link between the coupon investment holders and the enterprises; however, I feel that something should be done in this matter if the managements, investment funds, and banks are not to play the role of pseudo-owners of the privatized enterprises and if they are not again to view the millions of small shareholders as mere observers of events over which they have no influence.

The issue of ending restitution is also associated with ownership. This topic is like a diving beetle: It appears above the surface periodically only to disappear after a time into the unknown again. Some people say that it is unavoidably necessary to conclude finally the restitution process and thus further stabilize ownership relations, but, patently, no general consensus prevails to this day on what still has to be returned and to whom. However, if this issue is not completely resolved, we have no right to say that our reform has come to an end. The worst possible method of ownership is ambiguous or blocked ownership. I am saying this so that you do not allow this diving beetle to disappear below the surface again.

Economic Policy

Under market conditions, the state cannot manage the enterprises, tell them what to do, or think up specific directions for the development of the individual branches. We probably all agree on this. What the disagreements are about is something else: To what extent should the state have a certain concept in some select areas that are associated immediately with the public interest or the country's strategic interests, or not? The word concept has a bad ring to it today and, if someone uses it, he is immediately set upon by a band of propagandists accusing him of socialist lapses. I think that we should free ourselves from this fruitless ideologism and begin finally to discuss this subject objectively. It is no disgrace to have a concept. The issue merely involves what kind of concept it is.

I will cite one example. The central nervous system not only of our entire economy, but also of our earthly existence in general, is made up of three elements: Energy, transportation, and communications. Two of these subsystems, energy and transportation, have an immediate affect on the environment, that is, the sphere that is evidently public property or interest and whose proper development, as is generally known, is not guaranteed by the market environment per se. Consequently, I cannot imagine that the state should not have its own clear and long-term concept in this entire sphere. Such a concept has to go beyond the plans of the individual departments, has to proceed from an evaluation of the state of our country, its economy, its resources, its long-term strategic interests, including foreign policy interests, and has to be clear, simple, and understandable to all. If the legislature does not have such a concept at its disposal—for its orientation—then it will be forced to improvize constantly. I will cite just a few questions that this concept should answer.

For example: How do we induce society and the economy to make greater savings in energy, the fundamental task of the modern era? Undoubtedly, by the enterprising, although certainly gradual and differentiated, liberalization of energy prices. But, of course, this is not enough. It is certainly possible to think of systemic measures, whether in the taxation, credit, or other spheres, that would support various modern programs oriented toward saving energy—from energy-saving industrial technologies to the production of more energy-saving appliances and sealing systems. I think that we should part definitively with the inherited idea that the economic growth curve has to be copied faithfully by a curve depicting the rise in energy consumption.

Or: By exercising which legislative or economic instruments can we induce the power industry and industry in general to chose technology that does the least harm to the environment? I am absolutely convinced that it is not enough to invest billions in eradicating the consequences inflicted by obsolete technology. Why pollute the air and water and then clean them up at great cost when there are already technologies available that not only do not pollute them, but are also more efficient? Example: The separation facilities in thermal power stations are incredibly expensive and the more modern technology capable of obtaining much more energy from the fuel—and which, at the same time, are clean—are even substantially more expensive. How can we create an environment in which, despite this, it would be worth the energy enterprises' while following the other path? The key to resolving this kind of task is not in state subsidies. The issue involves economically motivating energy producers and industry in general to act truly ecologically. Causing respitory problems for children in North Bohemia first and then paying for them to have a short-term respite in the clean air is not a forward-looking solution. It should also be made generally known how the state intends to make possible or facilitate the reclamation of a region damaged by the mining of coal or other minerals and the eradication of the damage to vegetation caused by various emissions.

Or, another question: How will we support the decentralization of energy production and the utilization of alternative sources? Why could the state not provide tax relief or even breaks for all new private producers of clean energy, for example, the builders of small hydroelectric power stations? I know that this will probably not save us; however, it would be an important sign by which the state could make it clear to the whole of society that it does indeed care about the environment. I am certain that the money it would forfeit in taxes would be returned to it many times over, albeit again indirectly. For example, in that the public's interest in the environment would not be limited to occasional protests by ecological initiatives, but would be projected into specific entrepreneurial activities.

We could ask many such questions, whether they concern ecology, power generation, transportation, or other sectors of economic life. We all have to seek the answers to them, and do so together. I am only talking about this now in an attempt to rehabilitate the principle of conceptual work relating to the more complex and global contexts of various phenomena and tasks. I am absolutely convinced that the phase we are entering into will not get by without this. As I said in my introduction, if, in the years to come, the issue involves more subtle issues concerning the very nature of our state, then it will indeed be necessary to take note, to an increased extent, of not only the general macroeconomic indicators and systemic principles, but also of the actual contents of our economic life and its long-term prospects as well as the whole varied set of influences that may in the future worsen significantly or, on the contrary, improve this hard-to-understand thing called quality of life.

The Atmosphere of Political Life

Esteemed Deputies,

Perhaps never in the 20th century has our state had such a great chance to develop and flourish orderly in a peaceful and safe environment and to enable all of its citizens, to the extent that any state can enable such a thing, to live their lives truly contentedly. The First Republic had to contend with many problems that we do not have today and it found itself in an thoroughly unstable environment influenced by one emerging totalitarianism that engendered another totalitarianism, which ultimately destroyed it. Our postwar republic was tragically crippled due to the Stalinist Soviet Union exercising ever more pressure on it aided and abetted, at the same time, by a number of local flunkeys as well as many people who, devastated by the Second World War, were seeking new hope in the socialist utopia on offer. Today the situation is radically different: Western Europe is not being tossed around in confusion; it is stable, prosperous, and its gradually unifying on democratic and civic principles. All the states that, until recently, were communist are building democracies—some with more serious problems, others with less serious problems. The Czech Republic has no grave internal problems and it is not under any immediate threat from outside. Whenever I recall this situation and our chances, I begin to wonder why our political life is marked by such nervousness, so much mutual recrimination, and such a lack of tolerance associated with constant rivalry, the prestigious struggle for spheres of influence, mutual mistrust, and all sorts of new ideologies.

The revolutionary or postrevolutionary euphoria will not and cannot return, and it makes no sense to look back on it nostalgically and grumble about the current situation. Something else makes sense: To strive to ensure that a true sense of the values by which we want to govern ourselves, the will to understand each other, compassion, and a good mood permeate political life. All of us who found ourselves involved in politics so suddenly are still perhaps not fully aware of the great influence that our behavior has on the overall atmosphere in our country. If we constantly talk about money alone, then people will care about nothing but money. If we display an apathetic attitude toward the law, then society will also be indifferent to it. If it does not bother us that we break our promises, then we will contribute toward others breaking them. If it does not bother us that various affairs and scandals are never properly clarified or brought to an end and no conclusions are drawn from them, then we will be responsible for the universal dissemination of apathy. If we are not kind and considerate to one another and if we do not listen to one another fairly, then we can hardly expect something of this kind in public life as a whole. Yes, the politicians' task is to implement the democratically manifested will of the citizens and not to foist something on them. Moreover, I doubt that the majority of voters voted for unworthy quarreling.

I believe that the new era into which we are entering and in which we will have to, no longer pushed for time, create in peace, objectively, and gradually the more specific features of our new statehood and articulate its leading ideas again and more precisely will be accompanied by a better atmosphere in political life. Without this, I cannot even imagine that we would be able to carry out well the tasks that await us.

Our community has many different traditions, some better than others. One of our good traditions, which, in my opinion, current policy should follow up on, is respect for the truth, for the individual and his freedom, faith in universal values and a willingness to serve them unselfishly, humility before the miracle of the world, and, last, but not least, good cheer.

I wish you many successes in your continuing work for our country and I wish you much good cheer!

Klaus Urged To Express Distinction From Havel

AU2703084295 Prague MLADA FRONTA DNES in Czech 16 Mar 95 p 12

[Commentary by Jiri Leschtina: "Klaus's Bashful Silence"]

[FBIS Translated Text] It appeared rather unsatisfactory when Vaclav Klaus and Milan Uhde refused to comment on Vaclav Havel's 14 March speech. One can imagine that a substantial part of the president's ideas and topics is not exactly identical to the values that the Civic Democratic Party [ODS] embraces. Klaus and Uhde are not simply party members, however, and they should not hide from the citizens how the prime minister and the parliament chairman react to a key statement by the head of state.

There is no reason the prime minister should hesitate to express disagreement with the passages of the speech that go against his *weltanschauung*. After all, for a long time the debate between Havel and Klaus over the concept of autonomous regions, nonprofit organizations, or professional chambers has not been the key battle over the existence or nonexistence of democracy. Quite simply, the president and the prime minister have fundamentally different views about the nature of a free society. It is a legitimate disagreement, such as we have always encountered throughout the history of democracy.

On the one side stand the advocates of the model state citizen—self-administration—for whom self-administration is the objective of all political endeavors. Their opponents favor the relationship state-citizen and mistrust self-administration, which could easily turn into an obfuscated and ineffective state within a state. They warn, together with Ralf Dahrendorf, that too many institutions, "where everyone decides on everything, are, in fact, a way to inertia."

It is therefore demagoguery to describe Klaus's concern over too strong autonomous regions, for instance, as a lack of trust in democracy and citizens. This is just as ridiculous as accusing the region advocates of leaning toward the "third way." After all, the important thing is to find the optimum model that uses all advantages of self-administration and limits its faults to a minimum.

Because of its skeptical attitude toward self-administration, however, the ODS has now come under concentrated pressure from the president, the Civic Democratic Alliance, the Christian Democratic Union-Czechoslovak People's Party, and some of the opposition. Therefore, Vaclav Klaus should formulate his position and objections even more courageously and emphatically.

After all, the point is for the citizen to be able to choose in the next elections between the two aforementioned models of society. Ultimately, it will be only the voter who decides the duel, which is in principle appealing, between our two most influential politicians.

Admits to Different Approach

AU2703121795 Prague LIDOVE NOVINY in Czech 17 Mar 95 pp 1, 3

[Interview with Prime Minister Vaclav Klaus by Eva Martinkova in Prague on 16 March: "There Are Many Points in the President's Address With Which I Cannot Agree"]

[FBIS Translated Text] The possible arrest of the head of the Civic Democratic Alliance [ODA] secretariat, the president's address, the report by the parliamentary Commission for the Security Information Service [BIS] control, and the payments agreement with Slovakia—these are the topics of the questions the prime minister answers in this topical interview.

[Martinkova] Do you believe the possible arrest of the head of the ODA secretariat could affect the country's political stability?

[Klaus] The specific case of a specific person is one thing, and the political impact of it and political stability are another entirely. I heard the name Reichmann on 14 March for the first time in my life. I have no idea whether this man had anything to do with the irregularities at the Kreditni a Prumyslova Banka [Credit and Industrial Bank]. That is clearly a question for the authorities responsible—that is, investigators and state attorneys and possibly the courts. I have no comment on this.

On the other hand, I am aware of the possibility that this case could have much wider political consequences. I would consider that a terrible misfortune. I believe our job is to do everything in our power to prevent this having any further impact because political stability is so valuable. I will quote the somewhat exaggerated hyperbole that for us the coalition is a sacred cow.

[Martinkova] Was it one of the topics on the agenda of your 15 March meeting with the president?

[Klaus] Of course. I believe that the president, just like myself, does not even know the name in question. We discussed the possible political consequences of this case as the two highest-ranking constitutional officials, and I believe that our interests in this regard are completely identical.

[Martinkova] According to some commentaries, in his parliament address, the president stepped on the government's corns. Do you see it like that?

[Klaus] It is not necessary to use such sharp words. I welcome the president's assessment that the present stage of the transformation is concluded. I have spoken myself in various speeches about the problems, tasks, and crossroads of the posttransformation period. So, in this respect, our views coincide. I am glad that certain things were expressed in the address. When visiting the Army, for instance, I try to use words similar to those used by the president—so we do not trivialize it but, rather, try to reestablish respect for it in the country. I could go on naming these things. Of course, there are many points, however, with which I cannot agree. To do so, I would have to discard a lot from my own writings and presentations. I simply disagree with them, and I see these issues completely differently. There is no reason, however, to dramatize matters. It was simply a contribution to the debate in this country.

[Martinkova] What did the government get out of the report by the parliamentary commission for BIS control?

[Klaus] The government has not gotten anything out of it yet. The government is taking the problem of our intelligence services very seriously, and, however unfortunate the fact that the polemics were started, it forces us to deal with it more intensively. We drafted documents on amending the statutes and on the tasks of the Council for Intelligence Work. Within this framework, the government intends to take another step in this problem. I have not discovered anything new in the report. I find it very unfortunate that the elementary principle of responsibility for collective work is missing here and that we have conduct of the type that says: If the commission does not pass my ideas by a significant majority vote, I will make two one-hour speeches like Messrs. Masek and Severa. That is a real misfortune. I can only chuckle over something like that.

[Martinkova] Would it not be appropriate to assume a firmer stand regarding the payments agreement with Slovakia as Minister Kocarnik suggests?

[Klaus] We are not at all arguing with Minister Kocarnik, and there is no softer or firmer stand. Complex material is currently being prepared, which should cover all aspects of our relations with Slovakia. Therein, we will classify the issues we want to solve immediately, those that can be solved in the medium term, and recapitulate the issues on which we differ and the solution of which is not realistic in the immediate future. This material will be discussed by the government as the basis for my meeting with the Slovak prime minister. Anything else is just speculation. This is the standard stand we have adopted, and I oppose any nonstandard approaches.

Zieleniec, Holan Discuss NATO Entry, Defense

LD2403131095 Prague Radiozurnal Radio Network in Czech 1100 GMT 24 Mar 95

[FBIS Translated Text] Czech Foreign Minister Josef Zieleniec and Defense Minister Vilem Holan visited the Czech Army General Staff today. Pavel Ryjacek has more details:

[Ryjacek] The point of our talks is not just the coordination of our approach toward the North Atlantic Alliance; we are also holding joint discussions on the actual defense of our country, Vilem Holan said. Josef Zieleniec added that he was acquainted in detail with the transformation of the Czech Army. He said that, in the past, we had more tanks than Germany and France put together, and we had a type of army that was useless for defense. That has been changed and continues to be changed.

On the subject of our accession to NATO, Josef Zieleniec noted that the political aspect has priority, while military and technical matters are secondary. Communications and information systems, however, are of key importance. Vilem Holan said that the construction of such systems is the main priority of the Ministry of Defense. He added that the attempt to move toward the North Atlantic Alliance in the military-technical sphere is in fact a much simpler task than doing the same in the political sphere.

Foreign Ministry Deputy on Czech-German Relations

AU2703093495 Prague LIDOVE NOVINY in Czech 23 Mar 95 p 3

[Interview with First Deputy Foreign Minister Alexandr Vondra by Adam Jirousek; place and date not given: "It Is Not the Czech Republic's Turn"]

[FBIS Translated Text] Regarding Czech-German relations, both parties keep reiterating their readiness for dialogue. The last time, it was the German Foreign Minister in his address to the Bundestag. Thus, only one question remains: Who will make the first move? We asked First Deputy Foreign Minister Alexandr Vondra.

[Vondra] The Czech foreign minister has already indicated some feasible initiatives on our part. A genuine dialogue is, however, a two-way street. Therefore, we are waiting for specific proposals from the German side. So, it is not our turn.

I believe that the anniversary provides a good opportunity for further enlightenment of Czech-German cooperation.

[Jirousek] To what degree are Czech-German relations paralyzed by the unsettled Sudeten German issue and compensation for war victims?

[Vondra] Czech-German relations are not paralyzed. Their further development depends, however, on both parties expressing their readiness to no longer dwell in the past, legally or politically. Let us leave the past to the historians and concentrate on the future. Within this framework, it is possible to treat even the open wounds of the protagonists.

[Jirousek] On what levels should the potential dialogue be carried out?

[Vondra] The dialogue is being carried out on various levels. The governments in Prague and Bonn have, however, a special responsibility. If the dialogue is to be fair and productive, it cannot be delegated to lobbies or nationalists on either side of the border.

[Jirousek] Does the problem of the Sudeten German property and Czech compensation really play such a key role?

[Vondra] I would not put these issues together. On the one side, there is World War II, thte Nazi occupation, and concentration camps and, on the other, it is the aftermath of the war. It is true, however, that our relations are still marked by the past. Therefore, it would make sense to close the past in a reasonable manner acceptable to both sides.

[Jirousek] Could one in the long run expect in the restitution law some special consideration for the Sudeten Germans?

[Vondra] A restitution of the past is not possible. The laws clearly defined the limit as the year 1948, and the decision of the Constitutional Court must be respected.

Trade Minister Reviews Economic Development

AU2403151295 Prague LIDOVE NOVINY (Financial supplement) in Czech 15 Mar 95 p i

[Interview with Vladimir Dlouhy, Czech trade and industry minister, by Roman Bajcan and Jiri Pinka; place and date not given: "Bureaucracy Is the Same for All"]

[FBIS Translated Text] In the future, the Czech Republic will continue to orient itself toward establishing free trade zones. From the point of view of Czech trade policy, accelerating the liberalization of trade with other states is a proexport measure. Trade and Industry Minister Vladimir Dlouhy made this statement at a meeting in Prague with several dozen representatives from foreign trade missions.

The Czech Republic would like to begin negotiations this year on creating free trade zones with Bulgaria, Israel, and Turkey.

To date, the Czech state has concluded free trade agreements with Hungary and Poland within the framework of the CEFTA [Central European Free Trade Association] grouping. Trade liberalization with Slovenia and Romania is under way.

Minister Vladimir Dlouhy replied to questions from LIDOVE NOVINY on economic development in our country.

[LIDOVE NOVINY] The deficit foreign trade balance amounted to roughly 12.5 billion korunas [Kc] last year. In your view, is this an alarming figure?

[Dlouhy] This difference represents just over 1.0 percent of total foreign trade turnover (some Kc835 billion). In my view, this balance, compared with the advanced countries, is negligible.

[LIDOVE NOVINY] Do you expect it to increase this year?

[Dlouhy] I think we have to be careful not to set a certain trend for the future. On the other hand, the surplus in the balance-of-payments current account—that is, from trade, services, tourism, and so on—compensates for the unfavorable balance. But, if I am to talk about the first months of 1995, the situation is worse than last year.

[LIDOVE NOVINY] Can the real "hardening" of the koruna or also the gradual loss of our comparative advantages (low wages, low costs of energy, materials, and so on) contribute to this?

[Dlouhy] This is not a priority issue, if only for "training purposes." That is, our enterprises have to get used to the fact that they will lose these advantages in the future.

[LIDOVE NOVINY] So, what kind of ways out do you see?

[Dlouhy] The government will not promote, particularly for the industrial enterprises, a specific policy of preferential treatment. We would like to focus more on the enterprises' longer-term profit, for example, by dealing with their insolvency and debt, including the write-offs of their long-term outstanding claims.

[LIDOVE NOVINY] Write-offs vex not only our, but also foreign, businessmen. Apart from this, a number of foreign companies are complaining about inflexibility and state bureaucracy.

[Dlouhy] If we were to concern ourselves with the problem of bureaucracy, I do not think foreign firms would be at a conspicuous disadvantage. I would say that the state bureaucracy measures everyone with the same yardstick.

Meciar Meets With Minister Leotard in Paris

AU2503195595 Bratislava PRAVDA in Slovak 21 Mar 95 p 13

[Article by Jan Skoda: "V. Meciar's Talks"]

[FBIS Translated Text] Paris—Vladimir Meciar held talks with French Defense Minister Francois Leotard at the French Defense Ministry early yesterday afternoon. "We discussed the possibilities for a joint course of action in the arms-production sphere. France is the only suitable partner in Europe for more comprehensive cooperation, apart from the United States—but it is not in Europe...," said the Slovak prime minister. The French defense minister accepted Meciar's invitation to visit Bratislava.

The talks between the prime ministers of France and Slovakia, which followed, concerned mutual relations and European integration. E. Balladur promised to send a group of businessmen to Bratislava. "Not that you will complete privatization before they get there," joked, apparently, the French prime minister, who, with regard to the popularity polls, does not have much to smile about.

During the evening, Meciar met in the Hotel Crillon with his Romanian counterpart, N. Vacaroiu. According to unofficial reports, Romania feels deceived by Slovakia because it signed the basic treaty with Hungary. However, Meciar only said about the meeting that the talks concerned "our assessment of the situation in connection with the signing of the treaty between Slovakia and Hungary and the declaration between Hungary and Romania." Foreign Ministers Schenk and Melescanu should meet shortly, and the two prime ministers should also meet before the end of June.

"We appraised the importance of the Stability Pact and whether these agreements will mean the end of nationalist attacks by some leading representatives of the Hungarian minorities," said Meciar to journalists.

He also met late yesterday with French Foreign Minister Alain Juppe, who is, as opposed to Leotard, the leading figure in Chirac's election team. We have found out from well-informed French sources that they also discussed the Mochovce nuclear power plant. Apparently, Meciar underlined again that we will complete Mochovce even without the loan from the European Bank for Reconstruction and Development. Juppe expressed support for the Slovak-French Mochovce project and said that France had recently sent a demarche to the European Union in which it defends the granting of the loan from European banks. He also indicated that the strategy of utilizing nuclear energy is in France's interest.

"There is interest in economic cooperation, in particular, on the French side," said Meciar after the meeting. "We want the Slovak and French sides to further develop their economic, trade, and cultural ties. It is necessary, however, to convince our enterprises to take more interest in Slovakia. We also talked a great deal about relations between Slovakia and the European Union, and France, as its current chairman, will do all it can to make sure that things move forward," said Juppe in reply to our question.

Talks Cooperation With Businessmen

AU2503200395 Bratislava PRAVDA in Slovak 22 Mar 95 pp 1, 11

[Article by Jan Skoda: "Interest in Slovnaft"]

[FBIS Translated Excerpt] During the last day of his three-day visit to France, Slovak Prime Minister Vladimir Meciar met yesterday morning with French Interior Minister Charles Pasqua. After a brief tour of Paris, he then had lunch at the French Center for Foreign Trade with more than 30 representatives from major French companies, including EdF [Electricite de France] and Rhone-Poulenc.

With Minister Pasqua he discussed cooperation in the security and state administration spheres and the interdepartmental agreement under preparation between the interior ministries. Pasqua, like Ministers Leotard (defense) and Juppe (foreign affairs) before him, accepted an invitation from Meciar to visit Bratislava. As issues concerning relations with the church and ethnic minorities also come under his jurisdiction, Pasqua discussed these matters at the meeting with Meciar. "I would describe the talks as very useful and our views as almost identical," said Meciar to journalists later.

An agreement was reached at the working lunch with businessmen that the French side will send a group to Slovakia in May with the aim of carrying out a survey of our market and of ascertaining the possibilities for the participation of French capital in privatization. The presidents of major companies, who will arrive with specific projects, will visit after this group. According to the prime minister, the French praised Slovakia's economic results.

In reply to our question on whether the government is prepared to offer the French businessmen more advantageous conditions in the privatization process, Meciar said: "We have said that we will only give privileges to those who provide a major investment and state-of-the-art technology. Not at any price." He added that such entities are in the engineering and electrotechnical industries, in particular. "There was also a great deal of interest in the chemical industry, especially in Slovnaft," commented Meciar.

In connection with the Mochovce nuclear power plant, the prime minister emphasized that we asked the European Bank for Reconstruction and Development [EBRD] for a loan and not for its agreement with the project. "If the EBRD does not give us the money, nothing will happen; we will continue with the project from other sources," emphasized the prime minister. He conceded that the French partners' doubts may concern whether the other sources will be sufficient to provide for the technology in accordance with their concepts. At the same time, Meciar announced that the president of the Electricite de France (EdF) company and other businessmen will come to Bratislava for talks at the beginning of April. EdF President M. Fauve expressed his conviction that the cooperation between this company and the Slovak Republic would end in success. [passage omitted]

Schenk: U.S. Supports Government Coalition

LD2603205995 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 26 Mar 95

[FBIS Translated Excerpt] A news conference was held at the Foreign Affairs Ministry this afternoon shortly after the return of Foreign Minister Juraj Schenk from the United States. Jozef Rebo has more details.

[Rebo] [Passage omitted] At today's news conference, Juraj Schenk said, among other things:

[Begin Schenk recording] The most important meeting was the one with Secretary of State Warren Christopher, who spoke highly of the positive steps taken by the Slovak Republic on the international scene. He congratulated us, just like other officials did, on the signing of the Basic Treaty with the Hungarian Republic. He was interested to learn about further prospects of Slovak-Hungarian relations, our ideas about the implementation of the treaty, and Slovakia's share in the enhancement of stability in this region.

I would like to point out that Warren Christopher expressed the U.S. Government's clear support for our government coalition. He stressed that, with regard to the overall importance of the stability in this region, it was extremely important that the government coalition had a chance to implement its manifesto during the whole period of office. [end recording]

[Rebo] [Passage omitted] The Slovak foreign minister went on to say:

[Begin Schenk recording] In conclusion, I would like to say that the whole visit progressed in a very friendly, well-wishing, and very constructive atmosphere. All of the talks were held as talks between partners. It was confirmed that Slovakia was a standard Central European country. De facto, Slovakia had always been such, but having signed the treaty, Slovakia became such a country de jure as well. [end recording]

Meciar on Treaty With Hungary, Other Issues

LD2403224995 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1700 GMT 24 Mar 95

["Regular" weekly interview with Slovak Prime Minister Vladimir Meciar by correspondent Jarmila Bulakova; place and date are not given—recorded]

[FBIS Translated Excerpt] [Bulakova] It has been confirmed once again that no one is a prophet in his own land. While the world applauded the Basic Treaty between Slovakia and Hungary, Hungarian Prime Minister Gyula Horn was attacked by the opposition at home. In Slovakia, this step was not appreciated by your coalition partner, the Slovak National Party [SNS], and even more surprising is the fact that the treaty does not enjoy unequivocal support by your own movement, either, as some think it is going unnecessarily above the standard. Did you expect such a reaction?

[Meciar] I would like to emphasize, above all, that the reaction by the SNS should not be interpreted as disapproval. Similarly, the views voiced within our movement do not mean absolute disapproval—they are just another shade of the same color, it is only a small difference.

The treaty does not introduce a special above-the-standard level. There is nothing in it that we have not previously signed in our international treaties and agreements. It will not require any new measures—on the contrary, it will make it possible to carry out some intentions in order to create unifying points in our society instead of a separation according to the ethnic principle.

This is why I expect that, because of this, many representatives of those parties in Slovakia that are nationalistically orientated will have to amend their program unless they want to risk the clash not only with this treaty but also with laws of this state.

The treaty creates in Slovakia an atmosphere of peace and calm, guarantees for the future. It was not easy for me to sign it and talks on it were very difficult. [passage omitted]

However, it was necessary to overcome this moment, and I think that we have done a good piece of work for Slovakia. [passage omitted]

[Bulakova] On 22 March, your government passed its first 100 days in office. Generally, the recently signed Basic Slovak-Hungarian Treaty is considered to be the greatest contribution of you personally, and your cabinet. When assessing those 100 days of your government, the negative element is seen in the stagnation of privatization and wide-ranging blanket personnel changes. [passage omitted]

[Meciar] The government has done a lot of good work during that period. It is not just that treaty. It was this government that, as the first one in postcommunist countries, has outlined a positive program of the development strategy for our society, something nobody else has managed so far. [passage indistinct]

As regards blanket changes, I have done some checking about the number of people in leading posts who are affected by proposals of personnel changes in the entire Slovakia—and the number has not even reached 7 percent. And the acceptance number is even lower. This means that 95 percent of people are staying in their original posts, nothing is changing. Would you call this a blanket change? [passage omitted]

During those 100 days the government did not commit any mistake of fundamental character—on the contrary, we can only wish that all governments fared this well.

[Bulakova] How do you assess the first 100 days of your coalition cooperation, given the fact that officials of the Association of Workers of Slovakia have sent an open letter addressed to the whole world about the failure of all governments, including the one of which they are members, to solve the economic and social problems; and given the fact that the SNS chairman publicly spoke on 14 March about the happiness he feels on marking the great anniversary of the Slovak nation and paying respect to Dr. Tiso [president of pro-Nazi Slovak state 1939-45; executed in 1947], who, as he said, lives and will continue to live in the Slovak nation.

[Meciar] The government's activities are determined by its policy statement. This policy statement includes an agreement that the government is responsible for its policy statement and other government statements—however, individual statements by party officials and the views they express on behalf of their parties are not necessarily identical with the government stance. We have been working rather successfully using this principle.

Let us not forget that the political stability depends on this coalition, let us not forget that only these parties were prepared to join the government.

The government functions, the coalition is working. In fact, whenever I was abroad I was told: It will be good if at last this continues in your country for four years, you need stability. [passage omitted]

[Bulakova] Another issue, which is closely linked to the government's work, is the latest information that the International Federation of Journalists has voiced its concern about the absence of ministers at Slovak Government news conferences. In its letter sent to you, prime minister, the International Federation of Journalists asked you to reassess your decision. What is your answer?

[Meciar] If only I could have their worries. They again talk about something of what they know nothing about. Information is available. The only difference is, that it is provided by a qualified spokesperson. This measure was taken after the cabinet members seemed to be unqualified to work with the teams of journalists. Hence, the freedom of access to information has not been limited. [passage omitted]

[Bulakova] What are your wishes for the government's next 100 days in office?

[Meciar] [Passage indistinct] I believe that under standard international political conditions, as they are being created now, by 1998 Slovakia will go through such historic turning points and progress that its neighbors will find it difficult to keep abreast. By neighbors I mean our neighbors from the postcommunist bloc. [passage omitted]

Kukan Analyzes 'Sore Point' in Basic Treaty

AU2503170895 Bratislava SMENA in Slovak 21 Mar 95 pp 1-2

[Interview with former Slovak Foreign Minister Eduard Kukan by Igor Stupnan; place and date not given: "A Sore Point in the Treaty—Council of Europe Recommendation No. 1201"]

[FBIS Translated Text] [Stupnan] The previous government of J. Moravcik had already shown a relatively strong desire to conclude a joint treaty with Hungary. In the end, the process was completed by the current government. How do you assess the Slovak-Hungarian treaty from the point of view of the actual systemic steps that were oriented toward its signing?

[Kukan] Yes, after Prime Minister Horn's visit to Bratislava, it was agreed that the Slovak side would submit the first draft, which would be a working one and would form the basis for the negotiations. During the second round of expert meetings, we were given a counterdraft that was completely different from ours. However, the formation of the new government was being awaited in the wake of the elections.

The treaty itself has international-political and domestic-political aspects. From the international-political point of view, its impact is unequivocally positive. The conference on stability in Europe, which is taking place in Paris, has acted like a catalyst on the completion of the negotiations. Hungary and Slovakia have shown that they are politically mature states and can resolve their relationship themselves. The original Balladur Plan envisaged that the EU would keep an eye on the negotiations. However, under the Moravcik government, Slovak diplomats succeeded in annulling this possibility because we can deal with these issues ourselves. From the domestic political point of view, it will be a little more complicated. We have detected signs that not all of the forces support this agreement. We have seen demonstrations against the treaty in Hungary; the statements made by some Slovak political representatives, including the governing coalition, have contained serious reservations against specific articles in the treaty, which may even complicate the situation within the governing grouping. After reading through the text of the treaty, I would still not give an enthusiastic nod to all of its articles. For example, Council of Europe Recommendation No. 1201 is given the hallmark of a legal document for the first time. I think that this could cause certain complications.

[Stupnan] The most comprehensive article of the treaty is the passage that regulates the rights of the ethnic minorities. The Hungarian political entities in the Slovak Republic are concerned about a dual interpretation here. Therefore, for this reason, they are also interested in taking an active part in assessing its implementation. What is your view on this?

[Kukan] I am concerned that each side will interpret the treaty differently. The text makes a dual interpretation possible. Let me give you an example: The issue of the validity and inviolability of the borders. This was one of the contentious points. The Hungarian side was interested in mentioning, in this context, the Helsinki Final Act, which allows for the possibility of changing borders by peaceful means. The Helsinki Final Act is not mentioned in the article that talks about changing the borders, but it is mentioned twice elsewhere.

So, given a clever legal interpretation, it would be possible to complicate these issues. My concern here is also to make sure that a special-purpose interpretation does not complicate the situation or provoke unnecessary domestic political tension.

[Stupnan] I suppose that Council of Europe Recommendation No. 1201 will be the sore point in complying with the treaty. The Hungarian coalition has expressed itself in favor of increasing the powers of local self-administrations, especially in education and culture, which has led to certain speculation about territorial autonomy. Just before the treaty was signed, Foreign Minister J. Schenk even handed a note to the head of Hungarian diplomacy in which the Slovak Government rejects the establishment of autonomous minority self-administrations based on the ethnic principle.

[Kukan] In Recommendation No. 1201, Articles 9 and 11 can be interpreted broadly. Certain claims are based on collective rights and on territorial autonomy. Let me repeat, this is in the event of a very broad interpretation of the text, which is unacceptable to the Slovak Republic. Admittedly, there is a clause there that, in a certain way, narrows down the broad interpretation that I have just referred to, and some lawyers maintain that this clause covers our interests and that the recommendation cannot be interpreted in the sense of territorial autonomy. However, other lawyers will claim that it can be so interpreted. That is a nice term—sore point.

[Stupnan] The Slovak-Hungarian treaty, as an international-legal and political document, will also be expressed in the two states' legislation, where it may eventually lead to collisions. Apart from the standard control mechanism that is enshrined in the treaty, do you see any other possibilities for forestalling likely conflicts?

[Kukan] The control mechanism inserted into the treaty should apply the brakes to possible collisions. It will also be important for the aforementioned control mechanism to be capable of action. Along with Hungary, we are contributing by our treaty to the Stability Pact, just like the other European countries. There will probably be 120 of these treaties. A monitoring mechanism should be created there, whether within the framework of the Organization for Security and Cooperation in Europe or some independent individual mechanism will be established that will deal with these issues. I think that it should also serve as a conciliatory body for forestalling collisions in the interpretation of the treaty and in its incorporation into the legislation of the two countries.

Former Envoy to Budapest Views Treaty

AU2403135295 Bratislava PRAVDA in Slovak 23 Mar 95 p 8

[CTK report: "We Were Threatened With Relegation to the 'Second Division'; Rudolf Chmel on the Slovak-Hungarian Treaty"]

[FBIS Translated Text] Rudolf Chmel, the last Czechoslovak ambassador to Hungary, considers the Hungarian-Slovak treaty to be "the first step on the long road to historic reconciliation" rather than as the end of one and the opening of a new stage in mutual relations, as declared by the authors of the treaty, Prime Ministers Vladimir Meciar and Gyula Horn.

"There is no doubt that they signed the treaty under enormous Western pressure," this acknowledged Slovak expert on Hungarian issues told CTK in an interview. "It is a pragmatic step taken by two politicians and governments that were up to the last moment exposed to incredible international pressure. By signing the treaty, they undeniably improved their reputations."

Because of signing the basic treaty, "Slovakia and Hungary have kept their place in the first division" of the reforming countries seeking integration into Western structures. A repetition of the fiasco suffered by the parallel Romanian-Hungarian talks would have resulted, in the opinion of the former diplomat and parliamentary deputy, in their "relegation into the second division" of postcommunist countries of Romania's type. This ultimately made Meciar and Horn adopt something that may still embitter their lives on the domestic scene.

"It is remarkable that the two prime ministers arrived at such a key treaty without consulting the opposition," the opposition politician [Chmel is a member of Moravcik's Democratic Union] observes. He concedes, however, that, in Hungary, the opposition to the socialist-liberal government will not be able to prevent the treaty's ratification in parliament, while in Slovakia problems can rather be expected in the government coalition, "from the nationalist veterans of Meciar's movement and the Slovak National Party." The Slovak opposition, on the other hand, could help the treaty's ratification.

"The treaty's implementation is bound to be complicated," the Hungarian studies specialist believes. Meciar's unwillingness to enter into a dialogue with the minority "to some extent calls in question the sincerity of efforts to settle mutual relations, in which the minority plays a key role."

As to the text of the treaty itself, Rudolf Chmel considers it "the optimum in its genre, a compromise with which both sides can be satisfied." The treaty addresses two key problems: the status of minorities and border guarantees. The Hungarian side managed to have the substance of its requirements incorporated into the text, that is, a reference to the Helsinki Final Act and the Council of Europe Recommendation No. 1201 as the "minorities' insurance policy," with the proviso that the protection of ethnic minority rights is not only the internal affair of a state but also an international issue.

Chmel points out that the previously challenged recommendation [No. 1201] must not be belittled, although, with the inclusion of the Meciar clause, it cannot be interpreted as the legal foundation for the enactment of collective rights either. He adds that the recommendation also cannot be interpreted as encouraging the granting of territorial autonomy to the minority but, rather, the provision of self-administration, particularly in the fields of education and culture.

Rudolf Chmel thinks that, until recently, not even optimists considered the possibility of such a positive development. "The treaty can serve as a reliable point of departure for Slovakia's internal accord with its Hungarian minority," he says. "The crucial criterion of the implementation of the spirit and letter of the treaty will be, above all, the planned new territorial and administrative arrangement of Slovakia, that is, the degree to which it will preserve the present ethnic homogeneity of the territory inhabited by the minority. However, this will not occur very soon. The territorial reform has been spoken about for five years but the law is still not in the offing.

"The treaty should confirm that Slovakia's Western orientation is not a mere exercise in rhetoric. The West has sighed with relief but it will undoubtedly continue monitoring this issue because Slovakia and Hungary have been perceived by it as countries of higher security risk.

"It would be good if, on the occasion of this unquestionable success, the Slovak prime minister and his coalition realized the importance of the international context of even domestic political conflicts, for example with regard to the president, the media, and the opposition. Slovakia will remain under the microscope of Euro-Atlantic structures," Rudolf Chmel said.

Parties, Movements Assess Treaty With Hungary

AU2703083095 Bratislava NARODNA OBRODA in Slovak 21 Mar 95 pp 1-2

[Report by Ivan Samel and Martin Kovacic: "The Parties Have Received the Treaty Positively—With the Exception of the SNS"]

[FBIS Translated Text] Bratislava—The prime ministers of Hungary and Slovakia signed the Treaty on Good-Neighborliness and Friendly Cooperation between the two countries on 19 March. The agreement of the two states' supreme legislative bodies is also necessary for the treaty to come into force. So, we asked representatives from the individual parliamentary political entities to give us their views on this document and tell us whether they are willing to support its ratification in the National Council of the Slovak Republic.

Association of Workers of Slovakia Deputy Chairman Miroslav Kocnar expressed pleasant surprise at the wording of the treaty, which, in his opinion, corresponds to the times. He was particularly pleased with its third article, which refers to the inviolability of the common borders and to refraining from the threat of force or supporting actions against the other side. The stance adopted by some of the Hungarian parties, who had cast doubt on the Hungarian Government's authority to sign such a treaty, saddened him. He personally will support the treaty's ratification without reservation.

Intense talks were held throughout yesterday at the headquarters of the Slovak National Party [SNS]. This was why they refused to connect us with Chairman Jan Slota. SNS First Deputy Chairman M. Sedovic gave a statement to NARODNA OBRODA, which summed up the party's stance in two sentences: "In view of the fact that [Council of Europe] Recommendation No. 1201 is contained in the treaty, it is not congenial to the Slovak National Party and we will not support it in parliament. On the other hand, the adoption of this treaty does not endanger the coalition's cohesion."

Party of the Democratic Left [SDL] Chairman Peter Weiss described the treaty as a necessary compromise and a victory for common sense on both sides. SDL representatives do not see the treaty as an end in itself, but as a mechanism for improving mutual relations between Slovakia and Hungary, for stabilizing the Central European region, and, in the final analysis, for improving the two countries' chances of integrating together into the Transatlantic security structures and the EU. The SDL welcomes this treaty, because it is a treaty between two states that have had a difficult common history. And, that is the reason why it would be a mistake to assess it in the category of a defeat for either of the sides. SDL deputies will make public their stance on the treaty's ratification only after they have studied the document thoroughly.

Jan Sekaj, the Social Democratic Party of Slovakia's [SDSS] international secretary, assessed the conclusion of the treaty very positively, first and foremost, from the point of view of the region's stability and improving the two sides' chances of integrating into European structures. He particularly welcomed the clause on the unchangeability of the borders. In view of the absence of SDSS deputies, J. Sekaj was unable to express an opinion on how they will vote, but he envisages that they will support the treaty.

Hungarian Christian Democratic Movement Chairman Bela Bugar, in an interview for NARODNA OBRODA, appreciated the fact that, after the treaty's ratification, the Council of Europe Parliamentary Assembly's Recommendation No. 1201 will be elevated to a legal norm. He has reservations about the insufficient guarantees for financing the minorities' culture and about forming a supervisory body from among the governments' experts. He expressed doubt about whether minority representatives will also be involved in this supervisory body. They will decide about supporting the treaty in parliament after the conclusion of the interparty discussion, which will last until the end of April.

Hungarian Civic Party [MOS] Chairman Laszlo Nagy described the treaty as a positive act in an interview for our daily yesterday. According to him, the treaty respects the basic starting points that the MOS has regarding this treaty. The fact that the treaty recognizes three fundamental international documents in the sphere of minority rights provides, in L. Nagy's view, a sufficient guarantee for the minorities' rights. The treaty lacks sufficient guarantees for the financing of the minorities' culture and international supervision of adherence to the treaty's individual stipulations.

Christian Democratic Movement [KDH] representatives described the conclusion of the treaty, in view of the previous stance toward the minorities, as a breakthrough in the policy of the Movement for a Democratic Slovakia [HZDS] and of Prime Minister V. Meciar. The KDH voiced concern at the Slovak side's dispatch of a diplomatic note, from which, in the KDH's view, it is obvious that there is a different interpretation of the treaty on both sides. The Christian Democrats consider the Hungarian response to the note to be important for assessing the treaty. According to KDH Chairman Jan Carnogursky, deputies will decide on supporting the treaty after studying its contents thoroughly.

In a statement issued by the Democratic Union [DU], Eduard Kukan welcomed the very signing of the document, which forms the basis for the countries' cooperation. In his opinion, the text of the treaty should be unequivocal. However, some parts of the treaty, make various interpretations possible, which could be a source of tension in the future. He described as problematic the insertion of Council of Europe Recommendation No. 1201 where, in his view, the Slovak side went beyond the framework of European standards. DU deputies will decide on supporting the treaty after thoroughly considering its contents and following consultations with its partner parties.

We could not reach HZDS Spokesman O. Hanko, so we were unable to obtain its point of view on the basic treaty.

Duray Says Treaty 'Sewn Very Carelessly'

AU2403133995 Bratislava PRAVDA in Slovak 23 Mar 95 p 2

[Article by "ao": "Note Labeled as Blunder"]

[FBIS Translated Text] Bratislava—The guest of yesterday's NOVE SLOVO [Slovak weekly] Club was Coexistence Chairman Miklos Duray. Quite logically, the debate revolved mainly around the basic treaty between the Hungarian Republic and the Slovak Republic. The opposition politician stressed that he definitely did not reject the treaty. However, he described it as being "not the best one, sewn very carelessly," from the expert viewpoint. Above all, he criticized the fact that the document permits interpretations that are not unambiguous. He labeled the Slovak Government note of 19 March a blunder because one is not supposed to add supplementary explanations to signed interstate treaties.

Ethnic Hungarian Party Reelects Officials

LD2603142195 Budapest Kossuth Radio Network in Hungarian 1400 GMT 26 Mar 95

[FBIS Translated Text] Miklos Duray has been reelected chairman of the Coexistence Movement in Slovakia. The deputy chairman also remained the same: It is Arpad Duka-Zolyomi. At the organization's national aasembly in Dunajska Streda, the participants adopted a resolution about the Hungarian-Slovak basic treaty and about their intention to press for the establishment of territorial autonomy if the Hungarian local government system demanded by the movement fails to be established.

New Hungarian Ethnic Party To Be Established

LD2603212895 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 26 Mar 95

[FBIS Translated Text] A 16-member preparatory and founding committee of the Hungarian People's Movement for Reconciliation and Prosperity [madarske ludove hnutie za zmierenie a prosperitu, MLH] has been set up in Rimavska Sobota [in southern Slovakia].

In a manifesto made available to TASR by committee member Alzbeta Borzova, it is stated that the emerging political entity considered Slovakia's territorial integrity as inviolable and recognized it unconditionally. According to this document, the MLH is being created as an entity intending to support left-wing political initiative, to defend democracy and a law-abiding state, and to work for reconciliation and prosperity for all.

Hungarians Seek Self-Rule, Territorial Autonomy

LD2603190395 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 26 Mar 95

[FBIS Translated Excerpt] The Fifth National Congress of the Coexistence movement ended in Dunajska Streda today. The congress adopted all documents of the so-called Komarno assembly, inclusive of its resolution.

The delegates elected the movement's new national council. Miklos Duray was confirmed in the post of chairman; Arpad Duka-Zolyomi became the executive chairman again.

In a statement, the delegates took a stance on the Slovak-Hungarian basic treaty. Our correspondent Peter Rohac has more details.

[Rohac] As a follow up to the Komarno assembly of January 1994, the fifth Coexistence congress adopted as its manifestos all the resolutions from Komarno. These documents deal with the constitutional and legal status of the Hungarians in Slovakia, the territorial-administrative reorganization of the country, and the rights of local self-governments.

The delegates adopted today a proposal to set up a system and bodies of the Hungarian's community self-administration. This proposal aims at pushing through a constitutional law that would enable the setting up of an independent body. In this context, the delegates expressed their resolve that if the system of self-administrative bodies is not set up according to the demands of the Komarno assembly—and I quote—it is necessary to call for the setting up on a territorial autonomy for the Hungarian national community in Slovakia.

At a news conference, I asked Coexistence Chairman Miklos Duray to give a more detailed explanation.

[Begin Duray recording] The resolution discusses this possibility. It means that if we do not succeed in pushing through the self-administrative system, of which we talked as a symmetric system, and one which is related to our thoughts about the modernization and strengthening of the self-administration system in the whole of Slovakia, then we want to achieve our objective by setting up territorial autonomy. Within that territorial autonomy we would like to create a democratic self-administrative system. If we cannot do it for all of Slovakia, then let us do it at least for a part of it.

Our congress did not deal with the details of the territorial autonomy. That is a matter for experts. Moreover, this issue is not urgent yet. It is, in fact, an alternative solution. [end recording] [passage omitted]

Meciar on Results of HZDS Congress

LD2603202195 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 26 Mar 95

[Passages contained within quotation marks are recorded]

[FBIS Translated Excerpt] The national congress of the Movement for a Democratic Slovakia [HZDS] continued in Bratislava today for its second day. The most important part of today's deliberations was the election of the officials and members of the national bodies of the movement.

The delegates to the congress reelected Vladimir Meciar to the post of HZDS chairman. The deputy chairmen are: Sergej Kozlik for economic affairs, Olga Keltosova for international relations and public opinion, Augustin Marian Huska for social affairs and humanitarian issues, and Arpad Matejka for territorial administration issues.

Bernard Hornak has more details from a news conference held during the deliberations of the congress.

[Hornak] At the beginning of the news conference, HZDS Chairman Vladimir Meciar assessed the deliberations of the Fifth National Congress with these words:

[Meciar] "Our movement is the only entity in Slovakia capable of being a people's movement and developing its activity at all levels of society and throughout the country. We want to maintain this profile of ours and to strengthen it even further. [passage omitted]

"The discussion, as well as its course and atmosphere, point to the movement's unity of opinion on essential issues. There are no points that could possibly show any deepening split [sentence as heard]. On the contrary, the party is very vigilant and has learned its lesson from the past. The basic motto—Democracy, Prosperity, and Stability—was confirmed in the debate.

"With regard to the trust in the movement's officials elected so far, there has never before been such a degree of unanimity on this as there was at this congress."

[Hornak] Asked whether the congress dealt with the activity of President Michal Kovac, Vladimir Meciar said:

[Meciar] "With your permission, I would not like to comment on the president and his activity. The delegates have commented on it very critically. That is all I want to say on the matter."

[Hornak] Of course, the recently signed interstate Slovak-Hungarian Treaty was given a lot of attention. In this connection, the HZDS chairman said:

[Meciar] "One has to understand this treaty more at the emotional level than at the real level. First of all, the HZDS was against any irredentist efforts and collective rights, and since 1991 the movement undertook to carry the main burden of these struggles. We were helped by the Slovak National Party. Other parties were indifferent to this struggle or held different opinions. Therefore, the emotional charge is quite obvious.

"We have to bear in mind that the treaty is a turning point, and that is why people try to find out whether this is a positive turning point or whether there are any risks in what is otherwise positive. If there are any risks, these result from practical policy only. No agreement can prevent such risks. The sum of positive features is so high and the degree of risk so low that the whole thing could only be spoiled by an attempt similar to that of March 1994. That will be very bad for Slovakia with regard to the present wording of the treaty."

[Hornak] Journalists were interested to learn whether the delegates to the Fifth National Congress voiced any criticism of the movement's leadership.

[Meciar] "If they did not like us, they would not have elected us. I think that such a clear-cut election has never taken place in Slovakia before. In fact, if you disregard that spoiled ballot paper that is mine, I received 100-percent approval. Even in Presov there were two votes against me, I think."

Knazko Doubts HZDS, Coalition's Sincerity

95CH0144B Kosice SLOVENSKY VYCHOD in Slovak 27 Jan 95 pp 1-2

[Article by TA SR: "Power Play Planned for March"]

[FBIS Translated Text] Bratislava (TA SR)—The first deputy chairman of the Slovak Democratic Union [DU] considers the resolution of the National Council of the Slovak Republic on the discussed point concerning the response of Michal Kovac to the executive director of the Committee for the Protection of Journalists, William Orme, a further step toward the guillotine on which the president of the Slovak Republic [SR] is to end up. As he said at the press conference in Bratislava, this act of the governing coalition's deputies is without analogy and is in violation of the SR constitution.

According to him, a series of actions that are a threat to democratic institutions—the president, the Constitutional Court, and the parliament—indicates an effort by the Movement for a Democratic Slovakia [HZDS] to gain the power to control the state. He warned against underestimating these activities of the governing party.

I believe, continued M. Knazko, that the "November night" in the SR National Council there will come a March night session, when a redistribution of the DU deputies' mandates is to take place, in the ratio of eight for the coalition and seven for the opposition. The governing parties would thus gain a parliamentary majority and the possibility of realizing their undemocratic objectives. The DU Deputy Chairman, Roman Kovac, added that a repeal of the resolution to verify the DU deputies' mandates will be scheduled. Another move that the governing parties are planning will be directed at shortening the term of office of the Constitutional Court judges and the president of the Republic.

According to Knazko, the real politics of the HZDS threatens the prosperity of the country and the process of integrating Slovakia into the EU. "It is obvious that this government is not interested in integrating the Slovak Republic into the European structures and that it is doing everything it can to have Slovakia take another road," added Knazko.

New Party Formed; Officials Elected

LD2503183695 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 25 Mar 95

[FBIS Translated Text] Jozef Moravcik [former Slovak foreign minister and prime minister] has become the chairman of the new political party, the Democratic Union of Slovakia [Demokraticka unia Slovenska], which was formed today at the merger congress of the Democratic Union of Slovakia and the National Democratic Party-New Alternative.

Its deputy chairmen are: Roman Kovac [former Slovak deputy prime minister], Jan Budaj, Milan Knazko [former Slovak foreign minister], and Ludovit Cernak [chairman of the National Democratic Party-New Alternative].

Kozyrev on New European Security Model

LD2603121395 Budapest Kossuth Radio Network in Hungarian 0705 GMT 26 Mar 95

[FBIS Translated Text] [Announcer] Soon after Prime Minister Gyula Horn's visit to Russia, Russian Foreign Minister Andrey Kozyrev met the Hungarian prime minister again. He also met Hungarian Foreign Minister Laszlo Kovacs. Kozyrev paid a visit to Budapest on his way home after his meeting with U.S. Secretary of State Warren Christopher in Geneva. In the background of Kozyrev's visit is the fact that Hungary is the OSCE chair in office. This organization is also recognized by Russia as a body that is making significant efforts to settle the Chechen crisis. After his talks with Kovacs, Kozyrev met Hungarian journalists, among them Istvan Kulcsar.

[Begin Kozyrev recording in Enlish with superimposed translation into Hungarian] I am sure that both as OSCE coordinator and as a country that represents a balanced view in European politics, Hungary will actively promote the dialogue that is due to begin soon on a comprehensive new European security model on the basis of the resolution of the OSCE summit held in Budapest. [end recording]

[Kulcsar] Kozyrev returned to this issue several times. It seems he came to Budapest first and foremost to sell this Russian initiative. In reply to our Questions, he talked about the expansion of NATO, too.

[Begin Kozyrev recording in English with superimposed translation into Hungarian] We also discussed the issue of the expansion of NATO or rather, from our point of view, the postponement of the expansion. We do not want this to cause tension. We want to shift emphasis to the NATO Partnership [for Peace], which satisfies all sides for the time being. We can see a need for a dialogue in which every interested party—except NATO—would participate, including the East European countries.

We hold everybody's position in respect, and do not intend to threaten anybody or veto anybody's decision. We have respect for the position of Hungary and all the other countries of the region. There are differences between us, but our interests coincide in many areas.

We wish to conduct a dialogue not only with the USA, the EU, and NATO, but also with the Central and East European countries. I came to Budapest right after my talks with Warren Christopher in Geneva so I could inform my Hungarian colleagues, who are presiding over the OSCE at the moment, about these talks. [end recording]

[Kulcsar] I asked the Russian foreign minister what task and scope of authority he could envisage for the OSCE mission in Chechnya, which is to be set up soon. That is what Andrey Kozyrev said:

[Begin Kozyrev recording in English with superimposed translation into Hungarian] Ambassador Istvan Gyarmati is staying in Chechnya on behalf of the OSCE right now. He spent a few days in Moscow to hold negotiations on this issue and discuss the details of the establishment of the mission.

His mandate is quite clear: effective participation in political processes. We agree with this. It includes the establishment of the cease-fire—to the extent possible; political negotiations about the solution with those who have a need for it and who are interested in it; and the setting up of local authorities in Chechnya. This is already under preparation. The ultimate goal is the preparation of free and fair elections on the basis of the Constitution of the Russian Federation, and the formation of a new government. [end recording]

[Kulcsar] Foreign Minister Kozyrev took several questions in connection with the Russian ideas on the new European security model.

[Begin Kozyrev recording in English with superimposed translation into Hungarian] We have a plan summing up a number of ideas on how to begin and give form to the dialogue, which is to start soon on the basis of the CSCE's Budapest summit. The most important thing I want to stress is that we will not come forward with a scheme already worked out. We do not want to propose something that would replace already existing institutions, e.g. NATO, EU or the OSCE itself. We would like to promote an open dialogue that is based on the existing structures but not restricted to them. I am thinking of a dialogue that would lead to a united Europe free from friction and that would be beneficial for all of us. It would reflect the interests of the big, medium-sized, and small countries alike. [end recording]

[Kulcsar] Let me say, as a footnote, that noone present understood clearly the gist of the Russian ideas, except for, maybe, the Hungarian foreign minister, to whom his Russian counterpart handed the plan of the so-called new European model in writing. He asked Kovacs to present it to the Prague session of the OSCE's leading body next week, as the organization's chairman. Maybe then we will see whether it is a substantial plan or something that keeps diplomacy in action but just an idle effort [ueresjarat].

Keleti Views Moves To Reduce Army Costs

LD2403195495 Budapest Kossuth Radio Network in Hungarian 1700 GMT 24 Mar 95

[FBIS Translated Excerpt] According to a government decision made earlier this month, several thousand employees must be dismissed from the Army in order to reduce wage costs by three percent. Defense Minister Gyorgy Keleti talked about this at a conference on averting disasters, held in Tata. Sandor Forgacs reports:

[Forgacs] Repair and maintenance costs must also be reduced by 10 percent. Therefore certain units of lower combat value—that is, certain barracks—will be closed as early as this year.

The reform of the Armed Forces depends on the parliament's decision, but the Army and the country lose hundreds of thousands of forints every day as a result of delaying the reform, the minister said. [passage omitted]

According to Keleti, after preparations of two to three years, the Hungarian Army's standards will be suitable for NATO membership. [passage omitted]

Horn, Bokros Explain 'Austerity' Measures

LD2603130295 Budapest Kossuth Radio Network in Hungarian 1000 GMT 26 Mar 95

[FBIS Translated Text] [Announcer] The social welfare system cannot be maintained if there is no performance behind it, said Prime Minister Gyula Horn at the Hungarian Socialist Party's [HSP] extraordinary national conference convened to discuss the government's austerity measures announced two weeks ago. Attila Kert reports.

[Kert] It was not possible to maintain any longer a social distribution system that has no real economic performance behind it. This was said by Gyula Horn and Lajos Bokros in connection with the government's measures taken a fortnight ago. The prime minister admitted that a part of the social welfare measures is a departure from the programs of the HSP and the government. He added, however, that both programs mentioned the strengthening of the principle of means-testing.

As far as the financial and economic measures are concerned, they are entirely in keeping with the programs and they have the backing of the international political and financial circles, said Horn. Horn, who is both party chairman and prime minister, made it clear that the government will continue to take measures serving the aim of stabilization. He asked his party's politicians to do their best and make more and more people understand the reasons fo, and the need for, the measures.

Gyula Horn criticized the opposition. He said those who tried to work up a scare in the run-up to the general elections, and who said there would be a rollback if the Socialists won, are now talking about social insensitivity. He called it alarming that national and social demagogy has reappeared in the criticism of the government.

In his speech Lajos Bokros stressed that the government's measures are not one-sidedly restrictive, but also serve growth. The government's economic aim is sustainable growth. He called inflation the biggest danger. He believes it would affect the poorest groups to the largest extent. From this point of view, he called the Hungarian National Bank's new forint devaluation policy—decided upon a fortnight ago—a milestone.

The finance minister said that 27 percent of the GDP can no longer be spent on social welfare. He said such a high rate can only be found in Sweden. In countries similar to Hungary, this rate is around 10 percent. The restrictions can only affect those who are not needy, the top 20 percent of society, Bokros added.

Ending his speech, Bokros said the government is united over the issue of giving assets to the Social Insurance Fund. However, it is too early to talk about the value of this, he said.

At the moment, the politicians at the HSP's conference are discussing, at a closed meeting, what changes it may be necessary to make in the party program at the party congress due to be held in autumn.

Union Leader Highlights 'Contradictory Statements'

LD2503135895 Budapest Kossuth Radio Network in Hungarian 1200 GMT 25 Mar 95

[FBIS Translated Text] According to [Sandor Nagy,] the chairman of the National Federation of Hungarian Trade Unions [MSZOSZ], the government's credibility is seriously endangered by the fact that its members keep making contradictory statements. Speaking at the news briefing held before the meeting of delegates of the Nograd County HSP [Hungarian Socialist Party], Sandor Nagy expressed the view that the assets the Social Insurance Fund had been promised in a government decision must immediately be handed over to it. If there has been a misunderstanding in the matter, then that is the fault of the finance minister [Lajos Bokros].

Lajos Bokros should be warned that Hungary does not have a one-man government and that, in the interest of our international assessment, the number of resignation proposals per week per capita should be reduced, said Nagy.

According to Nagy, Bokros's warning that further austerity measures must be expected if the earnings from privatization fall short of expectations, is connected, rather, with the fact that there is, to this day, no program aimed at improving the income-producing capability of the economy in evidence. It would be a good thing if economic policy were finally to concentrate on the conditions for enlivening the economy, and not just on austerity measures, the politician said.

Union Leader Explains Rift With Government

AU2703130295 Budapest HETI VILAGGAZDASAG in Hungarian 18 Mar 95 pp 47-48

[Interview with MSZOSZ chairman Sandor Nagy by Pal Reti; place and date not given: "I Have My Own Internal Criteria"]

[FBIS Translated Text] He did not get tough. It is the government that is not keeping its former promises—claims Sandor Nagy (49), chairman of the National Federation of Hungarian Trade Unions [MSZOSZ]. Nagy resigned his positions in the Hungarian Socialist Party's [MSZP] parliamentary group exactly a week before the government's drastic stabilization decisions were made public on 12 March. We can also learn from Nagy, who has become increasingly involved in politics in the past year, how much force the movement's leaders can line up in support of their demands.

[Reti] Do you feel that the government's decision subsequently justified your resignation?

[Nagy] This is of a minor importance. However, the government's 12 March announcements—most of which, contrary to appearances, are not final decisions—and the departure of two ministers, indicate that my resignation was not simply a decision made at a bad moment. I found myself in dispute on three or four issues at the same time—the privatization draft bill, Labor Code amendment, and the assets promised to Social Insurance—which individually would not have made me resign but all together did. It would be a schizophrenic state if I were to lead the parliamentary group's working group, which plays the most important role in economic legislation, while not being able to identify with important draft bills.

[Reti] You insisted that an employees' representative should have a place in managing privatization—and not only in supervising it, as suggested by the government. What benefit have Hungarian employees gained from having, for years, a trade union representative on the State Property Agency's board of directors?

[Nagy] One vote obviously cannot decide matters, but rather than this, the essence is to have continuous insight into the actual decisions and a possibility for the representative to indicate the problems to the trade unions. It is also difficult to relate the government's retreat to its promise that it wants to increase the transparency of the privatization process.

[Reti] Are the organized workers demanding that someone sit on the privatization organization's board of directors representing them? You previously said that you would consult the membership on important issues. Has this happened this time?

[Nagy] We need not ask this because we are perfectly clear about our members' views. As a matter of fact, we once already agreed on the currently disputed issues at the Interest Coordination Council's 18 November session—which included membership on the board of directors, and that the trade unions should express their opinion on the competition rules and the statute of the new privatization organization. Therefore, regardless of the actual topics, the issue is whether or not the government keeps the agreements it has signed.

[Reti] Did the parliamentary group vote against you on the disputed issues?

[Nagy] Although the parliamentary group voted for an amendment package acceptable to everyone, in the meantime, the finance minister maintained his own counterarguments. For this reason, we, the people involved—including Finance Minister Lajos Bokros; Privatization Minister Tamas Suchmann; Imre Karl, head of the economic working group; and I, as head of the budget working group—were told to go out and discuss the issue among ourselves to avoid having interpretation problems afterwards. As the finance minister maintained his views and the prime minister—who for a very short time also attended the meeting—supported him, I thought the government had a very clear position, and one I could not accept.

[Reti] Two months ago, you confidently said that "people close to the trade unions' position are not in a small minority in the parliamentary group." If you had held a real vote at last weekend's parliamentary group session, how many people do you believe would have voted with you?

[Nagy] I do not know but we will find out, because the parliamentary group will definitely have to vote on the disputed points. I still say what I said in December, even if our support might not become evident in a vote.

[Reti] Why was it precisely at Bokros's inauguration that you had enough?

[Nagy] Indeed, as I believe economic growth to be at least as important as the unavoidable restriction, I more or less agree with many of Bokros's points. However, this would not make me silent. I believe that a change took place in the government's policy at last Sunday's [12 March] session. Up to now, it seemed that it was at least adhering to the agreements that had been achieved with great difficulty.

[Reti] Do you have data on the labor force? At how many places do employers not make collective agreements, are emloyers unwilling to talk to the trade union representatives, and do employers not allow the local trade unions to be formed or to operate?

[Nagy] According to our estimates, in the major industries, collective agreements cover 30 to 35 percent of the workplaces at most. The proportion is even worse in the case of the industrial branch collective agreements. This is one of the reasons we want a law to force the sides to make an agreement. If we accelerate the spread of the market economy by all means in other areas, then we cannot say that a "natural process" will create—in 20 to 30 years—developed institutions in the world of labor.

[Reti] Is this also the reason the MSZOSZ leaders are constantly bargaining with government representatives on macroeconomic issues, while we cannot hear anything about their dealing with classical trade union issues "down there" in the world of labor? There would be plenty to do: Trade union membership is decreasing every year and, as you say, there is no agreement to protect the employees at the vast majority of workplaces.

[Nagy] The MSZOSZ does not have an alternative economic policy. This is not the job of trade unions anywhere in the world. The only reason this impression can be given is that the views on issues directly affecting employees actually form some kind of systematic approach. I actually agree with the point in the question. Because of the unformed structures, the lack of players on the same level, and the flaws in the rules, the conflicts do not appear in the places where the players are. For example, on the Labor Code, the tension is between the employers and employees but the debate is between the government and the trade unions. Due to the weakness of the middle level, conflicts erupt either directly in the factories or they are pushed up to a national level.

[Reti] In light of this, how are we to understand your statement of a few weeks ago that the current government "can say a prayer of thanks for meeting with so much understanding and tolerance on the side of the trade unions?" Why should we believe that you are tolerant rather than just weak?

[Nagy] The quote is not in my style but I accept it in my words: All in all, the trade unions in Hungary are moderate and exercise self-restraint. This is so even if we have less or more power than it is assumed or wished for by certain people. However, it is not a matter of strength that the generally accepted view that can be represented is that it is not good if real wages decrease by 7 to 8 percent.

[Reti] Nevertheless, it suggests power when you say that "we will also take tough action against this government if things do not progress according to our ideas!" Indeed, what will happen if they do not progress your way?

[Nagy] It would not make any sense to answer this question now. All organizations tend to decide in concrete situations what a so-called action means: demonstration, appeal, rally, torch-light march, public festivity, or strike.

[Reti] However, when, let us say, IG Metall, the trade union of the German steel workers, threatens something, then its partners pretty well know what to expect....

[Nagy] It is not as simple as this in Hungary. We do not have precedents, and we do not have a mature trade union practice, either, which could make us certain that when an industrial branch's trade union says we must take action, then the membership would support this—although contrary examples do exist. One must not misuse the situation that the lack of important linking points in the Hungarian trade unions' tools also means that decisions they disagree with will not have any repercussions.

[Reti] In recent months, you have become a favorite Socialist politician of the right wing. Even Istvan Csurka [chairman of the Hungarian Justice and Life Party] has something good to say about you. You suggested, well before law professor [and political scientist] Bela Pokol did, that you would consider a coalition ideal in which the conservative and Christian forces are a balance for the liberals. Have you done anything to achieve this? Were you invited by Pokol to the informal opposition "summit" that was also attended by some Socialist politicians?

[Nagy] Your first statement is not true. I do not accept that all those people who consider Csurka's ideas appalling link my name with his. If anyone, then I certainly have gained experience in recent years on the right wing's methods and political style. As for the second half of the question, all I said was that I would welcome a broader coalition as a model that would also include a moderate Christian-conservative line. In my view, political evolution will actually result in this. However, I have never said that the current coalition should be extended and I have not taken any steps in this direction. Pokol did not invite me, but had he done so I would probably have attended. I consider unacceptable the intellectual, political, and moral terror, under the influence of which the media discussed the Nanasi street meeting of MSZP deputies as something sensational, as if someone had got into the strongroom of NATO's strategic planning group. This reminds me of the darkest possible times: I refuse to accept that I cannot go where I wish or cannot talk to whom I wish and about whatever I wish. I have my internal criteria but I find it astonishing, to say the least, for someone else to instruct me on these. Neither the media, nor my own colleagues in the parliamentary group, nor other parties' deputies have the right to express their opinion on my participation in an informal meeting.

FIDESZ, KDNP Meet To Harmonize Positions

AU2703121595 Budapest NEPSZABADSAG in Hungarian 24 Mar 95 p 4

[Correspondent's report on meeting between FIDESZ chairman Viktor Orban and KDNP chairman Gyorgy Giczy in Budapest on 23 March: "The KDNP and the FIDESZ Are Preparing To Form a Government"]

[FBIS Translated Text] We must prepare to form a government. It is the moral obligation of the opposition to provide an alternative to the present government for the voters—Viktor Orban, chairman of the Federation of Young Democrats [FIDESZ] told us in connection with the summit meeting between FIDESZ and the Christian Democratic People's Party [KDNP] on 23 March.

At the summit, the hosts were represented by KDNP Chairman Gyorgy Giczy; Executive Chairman Tibor Fuzessy; Parliamentary Group Leader Tamas Isepy; Deputy Chairman Miklos Gaspar; Zsolt Semjen, KDNP deputy in charge of social affairs; and Geza Marothy, local government expert. The guest delegation was made up of FIDESZ Chairman Viktor Orban, Executive Chairman Janos Ader, National Committee Chairman Attila Varhelyi, Parliamentary Group Leader Jozsef Szajer, and Deputy Chairmen Laszlo Kover and Tamas Deutsch.

The two parties agreed that "the implementation of the government's chaotic economic and social measures might cause not only South American conditions here but also a dramatic decrease in the Hungarian population." They agreed to take a common stand against the social policy measures of the Bokros package. They will initiate the introduction of family taxation, the restoration of child-related tax benefits, and the review of nursery quotas.

Orban also questioned the parliamentary timetable of the finance minister's program from a constitutional viewpoint. He deeply condemned Finance Minister Bokros's "arrogant and lecturing behavior" toward the demonstrating students. Compared with this attitude, "Karoly Grosz was a well-mannered boy." Sharing this opinion, Gyorgy Giczy also condemned the finance minister's attitude, and regarded it as alarming.

Talking about the Hungarian-Slovak basic treaty, the two party heads pointed out that the Slovak parliament should first approve the treaty. In connection with a possible broad opposition alliance, Giczy said that, with the exception of the Workers' Party, the KDNP is open to every party committed to the nation, and the KDNP also wants to call upon the nationally committed members of the Hungarian Socialist Party to "counterbalance the rule of the small group currently in power in this coalition." According to Viktor Orban, only the Hungarian Democratic Forum [MDF] and the KDNP can be considered in the strategic alliance policy of the FIDESZ.

Article Notes Decline in Newspaper's Circulation

AU2503205495

[FBIS Editorial Report] Budapest MAGYAR HIRLAP in Hungarian on 21 March on page 7 carries a 750-word article by journalist Istvan Szasz expressing his sorrow over the newspaper MAGYAR NEMZET's recent loss of readership under the headline: "On the Decline of a Newspaper of Great Tradition."

Szasz notes that in 1989-91, MAGYAR NEMZET was a "spearhead of democratic change" and an "opinion-forming newspaper" of those committed to modernization and the change of regime. However, as a result of privatization with "crude political interference" in late 1990 and giving it a "one-way intellectual direction," the paper started to lose its readership because the "civic" readers "refused to follow the newspaper's sharp turn to the right." Based on HETI VILAGGAZDASAG's data, from the 160,000 issues (including 95,000 subscribers) in January 1990, through a "drastic" decline, the circulation dropped to 49,400 issues (including 27,000 subscribers) by February 1995.

Transcarpathian Ukraine's Hungarian Organizations

95CH0122A Budapest NEPSZABADSAG in Hungarian 10 Jan 95 p 7

[Interview with Dr. Sandor Almasy, deputy chairman of the Transcarpathian Hungarian Scientific Society and current chairman of the Illyes Foundation's Transcarpathian secondary board of trustees, by Elemer Koszeghy in Uzhhorod; date not given: "Transcarpathia: Divorce Hungarian Style"]

[FBIS Translated Text] *Earlier, the Cultural Association of Subcarpathian [Transcarpathian] Hungarians (KMKSZ) was regarded as the only organization representing the interests of the ethnic Hungarians in Subcarpathia [Transcarpathia]. Tensions within the organization, however, led to its partial dissolution. Dr. Sandor Almasy, deputy chairman of the Subcarpathian Hungarian Scientific Society (KMTT) and current chairman of the Illyes Foundation's Subcarpathian secondary board of trustees, does not see himself as a politician, but neither can he be regarded entirely as an outsider.*

[Almasy] I am not a member of any sociopolitical organization. The KMTT is strictly a professional group. Thirty-eight of its members are doctors of science, and 55 are candidates of science. According to the *Karpataljai Magyar Tudosok Lexikona* [Lexicon of Subcarpathian Hungarian Scientists], which is now in the press, Hungarian is the native language of 52 of the society's 93 members. The others know the language well enough to be able to lecture in it. The papers at our meetings are read in Hungarian, and the contributions to the debates are likewise in Hungarian. These facts refute the allegation that there is no Hungarian scientific life in Subcarpathia.

[Koszeghy] It is being said at several forums that KMTT members are unwilling to participate in the activities of Hungarian sociopolitical organizations.

[Almasy] That is true, with one or two exceptions. So far as the reasons for this are concerned, I can only repeat what I wrote in KARPATI IGAZ SZO: "It would be naive to expect, merely on the basis of their ethnicity, complete agreement among Subcarpathia's 150,000 to 200,000 ethnic Hungarians, who differ in terms of their social background, level of education, mentality and—God save the mark!—political outlook." In other words, until the 1994 elections in Hungary—or, more accurately, until the summer of last year—the emphatically populist-nationalist orientation of the so-called one and only legitimate Subcarpathian Hungarian organization was unacceptable to most ethnic Hungarian members of the scientific community, who espouse mainly liberal views.

[Koszeghy] Is the split among Subcarpathian Hungarian organizations due entirely to the leadership of the KMKSZ?

[Almasy] No. Between 70 and 75 percent of Subcarpathia's ethnic Hungarian population is living in rural settlements. And it can be said with a high degree of certainty that the populist-nationalist orientation advocated by the leadership of the KMKSZ satisfies these rural residents. Therefore it would be a mistake to say that the association's leadership has no basis of support. But it is an entirely different question whether, in accordance with the well-known principle of "democratic centralism," the populist-nationalist majority has been successful in forcing its will on the liberal minority that prefers not to take part in the activity of the KMKSZ.

[Koszeghy] Approximately how large is this liberal minority, and which organization might represent them?

[Almasy] I am an economist specializing in agricultural economics. At the request of the Subcarpathian Hungarian Teachers Association, I have prepared a survey listing the data of the managers and technicians working on the large-scale farms in the oblast's four flatland rayons, inhabited mostly by ethnic Hungarians. It turned out that the [cooperative] chairman or [state-farm] director on 21 of the 26 large-scale farms is an ethnic Hungarian; and that 110 of the 120 filled branch-manager positions are held by ethnic Hungarians. But I might add that the top managers at the industrial plants and commercial service enterprises in Beregszasz [Berehove] are overwhelmingly ethnic Hungarians, and the proportion of ethnic Hungarian technical managers is also decisive. There are nine ethnic Hungarians among the oblast council's 59 members, and there are many ethnic Hungarians also on the rayon councils. In principle, then, there is a Hungarian intellectual elite of at least 250 to 300 persons who directly participate in decisionmaking and, with few exceptions, are not members of the KMKSZ. But if the Association of Subcarpathian Hungarian Intellectuals, which was registered as a legal entity in September of 1993, were willing to rally and organize this intellectual elite, there would be a sociopolitical organizations with an orientation close to that of the ruling coalition in Hungary.

[Koszeghy] In conjunction with the differences between Subcarpathian Hungarian organizations, there arises also the question of subsidies provided by Hungary.

[Almasy] Please don't expect me to give you specific figures. In the Ukrainian-language weekly SRIDNA ZEMLYA, the chairman of the KMKSZ was rash enough to reveal the specific amounts of the 10-million-forint subsidy for the extension of the teachers' college in Beregszasz and the 17-million-forint subsidy earmarked for a Hungarian printing plant. However, I am able to say that, according to the data in my possession, the KMKSZ and its close affiliates—namely the Subcarpathian Hungarian Teachers Association and the Subcarpathian Hungarian Scouts Association—received substantial subsidies from the Hungarian state budget. At the same time, the Association of Subcarpathian Hungarian Intellectuals did not receive even a penny. And perhaps it is likewise no accident that the 17 million forints' worth of printing equipment has been installed in Nagyszollos [Vynohradiv], where one of the KMKSZ deputy chairmen resides. This same deputy chairman will be the president of the limited-liability company that will operate the printing plant.

Opposition Leader on MSZP-SZDSZ Relations

95CH0186B Budapest UJ DEMOKRATA in Hungarian 16 Feb 95 pp 28-29

[Interview with Peter Balaton, chairman of the National Committee of the Hungarian Democratic Forum, by Zoltan Fekete; place and date not given: "In the Captivity of the SZDSZ; Peter Balaton: The Horn Government Is Worse Than Its Predecessors"]

[FBIS Translated Text] *In the opposition for the past four years, Gyula Horn recognized that many Hungarian journalists were within the halo of the SZDSZ's [Alliance of Free Democrats] moon, and he also saw the damage these journalists were able to inflict on the government. He tried to prevent this from happening again—when he placed the press monopoly and its possessor, the SZDSZ, into a position of power. It was equally obvious to Horn that, in due regard to the country's well-known economic situation, money had to be mobilized relatively quickly. Using its international connections, the SZDSZ attempted to pump money into the economy, thus alleviating its own situation. Similarly, one cannot neglect considering the existence of two-thirds laws which provided the ultimate reason for establishing the coalition—Peter Balaton, chairman of the Hungarian Democratic Forum [MDF] National Committee told this newspaper.*

[Fekete] What is your assessment of the first six months of the Horn cabinet?

[Balaton] In 1989, when the system change occurred, Gyula Horn, Miklos Nemeth, and Matyas Szuros were likeable politicians as they relinquished power. A different trend prevailed in those days, one in which the MSZP [Hungarian Socialist Party], successor to the MSZMP [Hungarian Socialist Workers Party], could not compete. Nevertheless, the popularity index of these politicians remained unchanged, primarily because permitting the East Germans to leave and calling for democratic elections without difficulties appeared to be appealing acts in those days. While in the opposition, the socialists were able to use this popularity as a foundation to build upon. In addition, they also preserved their own ability to influence the press. In this regard, suffice it to mention NEPSZABADSAG and many daily newspapers in the countryside. This trend was reversed in last year's elections: Voters expected the popular socialist party politicians to utilize their earlier experience in directing the country. This was the real mistake the people made, because prior to 1989 these politicians had excelled only in the high-quality implementation of instructions received from abroad. (We have also learned by now that letting the Germans out, and the opening of the border, were also results of lengthy consultations.)

[Fekete] Accordingly, would you say that the Horn government did not know what to do with popular sovereignty?

[Balaton] We have not received orders from great powers since the election of Jozsef Antall, and there is no external force that wants to impose its will on the leaders of Hungary. Decisions should be made on Koztarsasag Square and on Kossuth Square by now, and these decisions very frequently result in haste and confusion. The Horn government appeared to be expert in only one thing: taking power. As head of government, Gyula Horn no longer wants to do anything for the country. Lacking goals with a perspective, he only wants to make peace, to survive, and to somehow drift along until the end of his term of office.

[Fekete] For what reason did the MSZP agree to establish this unusual coalition?

[Balaton] By establishing the coalition, MSZP leaders wanted to acquire a three-fourths majority in parliament and thus be able to enact, in this term, the media law and the local government law, as well as to create a new constitution according to their liking. The MSZP leaders also knew that during this four year term, countless representatives would desert the party that looks like a people's front, and that for this reason, and in order to maintain a two-thirds majority, they would have to constantly voice the idea of a smaller but better organized party.

These arguments, however, have failed, one after another. Had the SZDSZ been able to bring money into the country, it would have already done so during its four-year reign in Budapest. In reality, however, Budapest not only failed to receive additional resources but also increased its indebtedness. Socialist expectations related to two-thirds laws have also failed to materialize, because the free democrats supported only laws that were consistent with their own goals. The truth is that the SZDSZ is trying to change the entire profile of the government according to its own image. The best example in this regard is the local-government law, which, by virtue of inventing the compensation list, favors only the SZDSZ, the party that performed weakly in the elections.

[Fekete] What is the situation as regards SZDSZ power over the media? One cannot accuse public service television and radio and the large-circulation daily newspapers of being truly opposed to the government....

[Balaton] The SZDSZ has been trained to destroy things. This has been proven by the taxi blockade as well as by the Charta demonstrations. At present, the liberal party is playing the role of the opposition within the government, thus creating a springboard for its own departure. Playing the role of the internal opposition evokes continuous sympathy among voters, and the media are pleased to provide "help" in this regard.

[Fekete] You have already expressed your views about the MSZP. But what prompted the SZDSZ to join the coalition?

[Balaton] The answer can be summarized in four points. The SZDSZ was, by far, the biggest spender in the elections. Hungarian and foreign supporters contributed generously. Most contributors, however, demand that their money be paid back after the elections, and this is why the free democrats had to join the government. They also wanted to stabilize their leading positions in the media by all means. Similarly, the fact that the SZDSZ wanted to exert the strongest possible influence on privatization also supported the idea of joining the coalition. But most important of all considerations was the person of the president of the Republic. The reelection of Arpad Goncz is of vital importance to the SZDSZ. It is not hard to predict that the SZDSZ is going to stay in the coalition government until Goncz is reelected.

[Fekete] It seems as if FIDESZ [Federation of Young Democrats] and the MDF delivered their response to the coalition agreement by creating the Civic Alliance. What does the MDF membership have to say to this approach?

[Balaton] Most MDF members were not opposed to the idea, but there were some who said that the MDF would lose its own profile by joining the Alliance. This concern, however, was not borne out in practice, because even today, local organizations pursue independent politics, and the scope of negotiations extended only to reconciling the programs of candidates running in individual local voting districts and on party slates. The small opposition within the party was persuaded to go along with the idea.

[Fekete] What do you think of new KDNP [Christian Democratic People's Party] chairman Gyorgy Giczy's statements concerning the future of the Civic Alliance?

[Balaton] Civic alliances were established in response to local initiatives. They hold joint responsibility for the viability of individual settlements where they ran successfully in the local elections. Local government—and thus also Civic Alliance—mandates call for four-year terms. The duration of these terms is exactly twice as long as the mandates of the chairmen of either party.

[Fekete] Not too long ago, managing president Ivan Szabo declared that under no circumstances would the MDF support the call for a popular referendum initiated by the Smallholders' Party concerning the method of electing the president of the Republic. Not much later, Lajos Fur and Peter Boross announced that they were not averse to the idea of a popular referendum. Subsequently, Imre Konya ruled out the possibility of a popular referendum. He argued that holding one would be unconstitutional. The national committee did not adopt any political position in this regard. What should MDF members and sympathizers do at this point? Should they or should they not affix their signatures to the petition?

[Balaton] MDF members have acquired sufficient political education to be able to make decisions based on their own consciences. The position taken by the board of directors is known: in keeping with with the Constitution, the president of the Republic should be elected by parliament. I, personally, am not opposed to a popular referendum, but I firmly believe that the board's position, which rests on absolutely solid legal foundations, has indeed expressed the view of the membership.

[Fekete] Party chairman Lajos Fur said that the MDF would become an urbane party after the local elections. You, as chairman of the National Committee, represent the entire membership. Do you share this view?

[Balaton] In the parliamentary elections of 1994, the MDF acquired five representative mandates from individual voting districts, and four of these districts were located in Budapest. Candidates running on slates in Budapest also produced better results.

[Fekete] The National Board of Directors of the MDF resigned after the unsuccessful elections. How come the National Committee did not follow suit?

[Balaton] Dismay and a sense of helplessness dominated the Forum's board of directors and leadership bodies after the parliamentary elections. The first ones to come to their senses and to call attention to the importance of local government elections were members of the National Committee. They indicated that the people on the board of directors and the party image had to be renewed in order to produce results in the local elections.

[Fekete] Did you succeed in this?

[Balaton] Yes. Prior to the elections the National Committee conducted itself as a follower, i.e., the National Committee merely legitimized the decisions of the highly prestigious chairman and board of directors. After the elections the National Committee assumed the lead role. It decided to write new by-laws to enable the board of directors to be renewed. By now, the MDF board is composed of persons elected not only on the basis of familiarity and authoritarian principles but also on the basis of regional nominations, producing locally known, locally tested, successful, young politicians. Quite naturally, this renewal process included some heavy confrontations, because well-known politicians, who played lead roles in the Antall and Boross governments, could not automatically become members of the board, and thus viewed their jealously guarded positions as shaken. It was necessary to hold the National Committee together for the sake of a successful renewal.

[Fekete] You mentioned before that the Horn group was able to preserve its popularity even while in the opposition. I wonder whether the ministers and state secretaries of the MDF will be able to improve their discredited images with the passage of time?

[Balaton] Certain MDF politicians have indeed been discredited, primarily by the press. Our press is probably not going to be strong in the upcoming period. For this reason, presenting new faces, talented young people, is of utmost importance.

[Fekete] Indeed, what future do these great names have? Is there no longer a need for the experience gained by Peter Boross while he served as prime minister, or for Bela Kadar's internationally recognized professional prestige? It seems that these people have been relegated to playing background role within the parliamentary group, and that managing chairman Ivan Szabo has become the competent debating partner on every subject....

[Balaton] I do not believe that Peter Boross, or anyone else for that matter, has been placed in the background. I am not familiar with the division of labor in the parliamentary group, but I find it appropriate for a former minister not to be confronted every day with his successor concerning his specialty, because to do so would soon result in questions as to why that former minister did not do a better job while he held the position. The Forum needs the experience gained by Peter Boross, Bela Kadar, Gyorgy Schamschula, as well as Istvan Balsai.

[Fekete] What has happened to the former parliamentary representatives of the MDF? Were they just let go?

[Balaton] We are utilizing the knowledge and legislative experience of some of them in various specialized committees of the MDF. A countless number of former MDF representatives continue to work in local bodies. We have no organization to provide a feather bed or care for former MDF representatives. I do not think they need such an organization.

[Fekete] All assessments of the MDF since the elections indicate losses. These are proven to be correct by last December's local election results. The party has lost positions, even though it viewed the election results as a success. The party coffers are not in order. One hears reports of exclusions and of disciplinary hearings. How long is this low-altitude flight going to last?

[Balaton] We had regained consciousness in time for the local elections. Thanks to the Civic Alliance, we were able to halt the victorious trend of the MSZP and of the entire left-wing bloc. The Left was unable to repeat its springtime victory in December. Local MDF organizations that were successful in December will soon show further development. Organizations that once again failed in the December elections present concern. Shaking them up is our greatest task, and we must find a way to do this. The MDF must take advantage of the opportunity also expressed and recognized by trade unions—notably, the fact that the present government is functioning in a manner far worse than the much-maligned Antall and Boross governments. Although the lack of popularity of the Horn government does not present a burden to the MDF, real success can only be expected by a party that takes action in the interest of the nation.

Culture Minister Charges 'Political Cleansing'

95CH0186A Budapest UJ DEMOKRATA in Hungarian 16 Feb 95 pp 34-35

[Article by Daniel Bodnar, including interviews with Hungarian Socialist Party parliamentary representative Gabor Gellert Kis and Hungarian Democratic Forum parliamentary representative Gyorgy Fekete: "Has This Turned Into A Battle?"]

[FBIS Translated Text] Minister of Culture Gabor Fodor has promised to do everything possible to bring about peace in the cultural sphere. Some people believe that the fact that the Ministry of Culture, under the leadership of the Alliance of Free Democrats [SZDSZ], has launched a comprehensive attack on national institutions and some of their leaders,may be attributed to this promise. This is suggested, among other things, by the dismissal of Katalin Keseru as head of the Art Gallery, and by the "ultimatum given" to National Theater director Laszlo Ablonczy. Harsh critiques of the way the State Opera is being run also fit into this pattern. In virtually every instance, those in power excuse their actions on professional grounds, and reject statements that assert that they are conducting political cleansing. The minister is the subject of strong, daily criticism by the opposition and even by the socialist partner in coalition, but it appears that the minister is not disturbed by these. Moreover, the minister could be receiving significant help from SZDSZ official Gabor Horn, rumored to become a state secretary in the Ministry. In the following interviews we asked National Assembly representatives Gabor Gellert Kis (MSZP) [Hungarian Socialist Party], and Gyorgy Fekete (MDF) [Hungarian Democratic Forum] about the cleansing actions.

... "When the SZDSZ becomes a ruling power, it will not initiate cleansing actions. Instead, it will endeavor to maintain a dialog with its opposition. ...I expect that the elections will make it clear that after waiting for four years, competence dominates at last. The MDF client-Hungary will have disappeared, and the practice of distributing positions based on political leanings will have ceased."... *(Gabor Kuncze, KURIR 29 January 1994 p 5)*

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... "If we become the ruling power, we do not intend to proclaim a 'major housecleaning,' and we do not intend to make decisions on filling various positions as a matter of rewards for loyalty to the party. Choices will be made on the basis of professional competence." *(Gyula Horn, MAGYAR NEMZET 29 January 1994 pp 1, 11)*

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... "Gabor Horn of the SZDSZ headquarters is one of Minister Gabor Fodor's chief advisers, and, as I understand the situation, the SZDSZ headquarters staff—Janos Kis, Balint Magyar and others—pay weekly visits to the Ministry. They are very well aware of the fact that this ministry plays a key role from the standpoint of their power, because it is a primary means of influencing people, preceded in this regard only by the media. ... In addition to their existing monopoly over the press, the goal is to mold the Ministry of Education into an SZDSZ ministry, in order to force even the presently growing, young generation in a direction the SZDSZ likes. Cleansing represents the initial step in a series of steps to be taken to attain this goal." ... *(Karoly Baranyi, former division director at the Ministry of Culture, UJ MAGYARORSZAG 6 January 1995 p 7)*

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... "Ten well-known intellectuals—Matyas Domokos, Pal Gerzson, Miklos Jancso, Zoltan Jeney, Endre Kukorelly, Erno Marosi, Sandor Radnoti, Pal Rez, Julia Szabo, and Julia Szalai—have signed a protest note addressed to Minister of Culture Gabor Fodor. In it, they express shock over the 'ultimatum-like' call by ministry officials on Katalin Keseru to resign her post as director of the Art Gallery. These public figures expressed shock over this incident, and asked the minister 'to order a thorough investigation of this grievance, and to render a decision consistent both with the law and with the natural human sense of justice.'" ... *(MAGYAR NEMZET "Intellectuals..." 25 January 1995 p 1)*

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... "The actions of Minister of Culture Gabor Fodor suggest excessive use of power, against which the KKDSZ [Public Collection and Public Education Employees' Trade Union] must take a stand. During the past period, the ministry conducted activities that were not professional and that have caused damage to workers in the field of culture. The condition of archives, museums, libraries, and cultural homes has become critical, and the situation of those who work at such institutions is characterized by total uncertainty. Gabor Fodor carries the burden of responsibility for all this." ... *(KKDSZ President Janos Vadasz, MAGYAR NEMZET 21 January 1995 pp 1, 5)*

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... "The timing of the dismissal of Art Gallery Director Katalin Keseru is outrageous. It represents an integration of coarseness and misconduct of a kind that can be perceived by a cultivated person as none other than outrageous. ... The false logic, by which anyone who dares to criticize or express an unfavorable opinion about the SZDSZ, is immediately stigmatized as intolerant, is indeed baffling." ... *(Writer Gyula Hernadi, UJ MAGYARORSZAG 2 February 1995 p 9)*

Unfounded Charges

[Bodnar] How do you view the fact that some people believe that political cleansing aimed at heads of national institutions is going on?

[Gellert Kis] This statement is entirely erroneous. To begin with, the kinds of institutions we refer to as "national" institutions requires clarification. The Hungarian state maintains a very many institutions, and by virtue of tradition, a few of these are eminently referred to by using the "national" adjective: National Theater, National Museum.

The National Theater is "national" because it presents extremely high-quality performances of the best Hungarian dramas. But lacking this qualitative standard, the "national" adjective suffers more harm than it gains benefit. I am not aware of a single person who has been discharged based on political motivations. The simple question is whether persons truly fit to hold such positions were in charge of these institutions, and whether the works presented at these institutions merit this special attention. The unfortunate truth is that the work presently pursued at the National Theater does not justify the use of the "national" adjective as part of the institution's name. This is manifested by the size of the audience, in critiques, and in judgments expressed by the professions related to theaters.

[Bodnar] On the other hand, you, too, have raised objections to the circumstances that attended Katalin Keseru's dismissal....

[Gellert Kis] In doing so, I also stated that I did not want to deal with the person involved, because that was within the competence of the minister. I disagreed with the phenomena that accompanied the dismissal, and I expressed a devastating view in that regard. No one has been able to shake my belief since then in that regard.

[Bodnar] Accordingly, should we rule out the possibility of an ongoing political cleansing?

[Gellert Kis] No political cleansing is going on. Let me remind you: In the course of Gyorgy Fekete's career at the ministry, all actions taken by him were consistent with the law. Nevertheless I can recall only a very few steps he has taken that met the procedural criteria I talked about in conjunction with the Art Gallery case. He acted in an absolutely authoritarian manner within his own scope of authority. I sensed a return of the same authoritarian attitude when Katalin Keseru was relieved of her duties.

[Bodnar] How do you view charges that hold that national cultural institutions are being disintegrated these days?

[Gellert Kis] This charge is propagandistic. Has the National Gallery or the National Theater been disintegrated? It would be absurd to say so! These institutions have not been disintegrated; they have been corrupted and they have fallen apart, if anything is to be said. But this is my personal view only, the view of a Hungarian intellectual. Regarding the attacks on, and critiques of, the Ministry of Culture, I would much rather say that my probable reaction would not be a direct rejection of these attacks and critiques, but I would ponder which aspects of the criticisms I should accept. I would do so, because much of this criticism is politically motivated.

[Bodnar] Some people feel that the SZDSZ is aiming for hegemony in the field of culture. This is supported by certain information according to which SZDSZ official Gabor Horn may become the political state secretary at the ministry.

[Gellert Kis] Today's Hungarian society is extremely disjointed, and therefore no single force—in this case the SZDSZ—could occupy and expropriate for itself a given field, an institution, or a ministry. In the absence of painful historical and intellectual antecedents like the ones we had experienced, I would regard such charges as ridiculous because of their summary character. Precisely because of these antecedents, however, I regard such statements as life-threatening. They are life-threatening because, whether we like it or not, anti-Semitism is only one step away from these charges. I do not want to be a partner in this venture under any circumstances. I do not want to explain the extent to which the SZDSZ and liberalism are analogous with the term "Jew." We all must recognize that however condemnable this tradition is, these are analogous concepts in Hungarian intellectual life. I do not want to see the otherwise necessary coalition talks burdened with motifs which truly lack foundations. I do not believe that the SZDSZ has ambitions of this sort, not even if the executive direction of the Ministry of Culture is composed exclusively of SZDSZ members; but this matter has yet to be decided. And one must not forget that the prime minister is Gyula Horn, a socialist.

Destructive Liberals

[Bodnar] Political cleansing is going on in the Ministry of Culture, according to the MDF. What can you say in support of this statement?

[Fekete] An awful lot of things have occurred during the past several months that have proved this to be true. Drastic political cleansing has taken place involving the deputy state secretaries, main division and division directors, and specialized officials of the ministry who think differently. The ministry has given an ultimatum regarding changes it wants to see in the operation and substantive work of the National Theater, and has indirectly caused the death of chief director Ferenc Sik, a winner of the Kossuth Prize. Deputy State Secretary Andras Torok wrote a letter threatening National Philharmonic Director Jozsef Tothpal because Tothpal exercised his legal authority to extend the contract of conductor Kobajasi Kenicsiro. By dismissing director Katalin Keseru on Hungarian Culture Day, he turned the opening ceremony of the Art Gallery into a scandal. It was to be dedicated on that day, upon the completion of a four-year reconstruction project. A number of Hungarian intellectuals and professional organizations registered their protests against the dismissal, regardless of their political views.

Shall I go on? All this goes to prove that, indeed, a serious political cleansing is taking place inside the ministry as well as in the field of culture. It is unfortunate that threats, a clumsy style, failures to provide reasoning supportive of decisions, and hands-on management have become everyday events. Restoration is going on, I must say.

[Bodnar] What explains these events?

[Fekete] It has been obvious from the beginning: The MSZP-SZDSZ alliance is very shaky. I suspect that this matter has accelerated to this extent because the SZDSZ is planning to quit the coalition at the appropriate time—but before doing so, it wants to seize every essential function in Hungarian culture, and wants to create a situation in national institutions that cannot be changed later, even by a pure socialist government. An outstanding opportunity to accomplish this presented itself, since Gyorgy Janosi has left the ministry. The SZDSZ is endeavoring to achieve full hegemony. They were the ruling power in local governments for the past four years. They retained part of this power, and the media, too, belongs to them. They are now also casting their eyes on the national institutions—this at a time when the SZDSZ itself admits that it has reached the limit where it is possible to continue to maintain the coalition. One can expect that this interference is going to become even more direct.

[Bodnar] You just mentioned the dismissal of Katalin Keseru and the ultimatum given Laszlo Ablonczy. Would you say that Ablonczy's days are now also numbered?

[Fekete] We would like to see a situation in which the days of Laszlo Ablonczy are not numbered. We feel that the hands of Gabor Fodor must be restrained, because the horrible destruction of Hungarian culture he perpetrates must not be allowed to continue. His lack of competence is bewildering. To top things off, he is a puppet devoid of independent thought. He acts fully under the direction of liberal forces within the SZDSZ, whose goal is to fully occupy Hungarian cultural workshops. They want to plant their own people everywhere, regardless of their professional competence. One has to firmly protest such things! A huge abyss exists between liberal phraseology and undemocratic practice. All this is extremely damaging, because the situation once again heightens the cultural struggle, even though the people yearn for peace, at last. I hope that our cause will benefit from the departure of Laszlo Bekesi from the Ministry of Finance, because had he remained in his post, he would have pursued an economic policy favorable to the SZDSZ. With Bekesi gone, the conscience of the socialists might be aroused. They may realize that everything cannot be permitted.

[Bodnar] Many say that Gyorgy Fekete really has no right to judge, because in his days as deputy state secretary, he, too, has pursued cleansing....

[Fekete] This is simply not true. I dismissed only one person, the president of Hungaroton. He was 63 years old at the time, and we retired him. Accordingly, under my tenure there was no cleansing of any kind. Aside from retiring the president of Hungaroton, all changes were made on the basis of competitive examinations. Aside from that, the public employee law would not have enabled us to implement large-scale layoffs.

Supreme Court Chairman To Run for President

LD2703103495 Warsaw PAP in Polish 1011 GMT 27 Mar 95

[FBIS Translated Text] Warsaw, 27 Mar—Adam Strzembosz, first chairman of the Supreme Court, announced at a news conference in Warsaw today that he has decided to run for president.

"I think of Poland as a family. The Polish family needs clear prospects to improve the standard of living," Strzembosz said.

Party Support

LD2603213695 Warsaw Third Program Radio Network in Polish 2200 GMT 26 Mar 95

[FBIS Translated Text] Adam Strzembosz has decided to run in the presidential elections, Stanislaw Remuszko, one of his collaborators, has said. The candidacy of the Supreme Court first chairman is supported by, among others, the Center Alliance and Aleksander Hall's Conservative Party.

Walesa Asks Yeltsin To Hasten Katyn Investigation

LD2603133295 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 26 Mar 95

[FBIS Translated Text] In a letter to President Boris Yeltsin, President Lech Walesa has asked the Russian side to speed up work connected with the investigation into the Katyn case and with preparations for building cemeteries for Polish officers in Katyn and Mednoye, so that a cornerstone for the cemetery in Katyn can be laid on 28 May.

Andrzej Zakrzewski, secretary of state at the Presidential Chancellery, together with Deputy Prosecutor General Stefan Sniezko and a group of experts, visited Katyn and Mednoye. During talks with the administration of the Smolensk and Tver districts, a program was agreed upon on commemorations for 28 May in Katyn, most probably with the particiaption of Lech Walesa, and on 4 June in Mednoye.

Lasting Consequences of Recent Crisis

95P20636A

[FBIS Media Note] The political crisis that caused the fall of Waldemar Pawlak and brought to power Jozef Oleksy could have far-reaching consequences for President Lech Walesa, for the two governing parties—Democratic Left Alliance (SLD) and Polish Peasant Party (PSL)—and for the opposition, according to press commentary.

According to Jacek Maziarski, writing in the Warsaw weekly LAD of 5 March, the president's futile maneuvering to dissolve Parliament and hold early elections, which resulted in the government change, may backfire because Walesa may find the SLD-led government more difficult to deal with than the PSL-led government. Oleksy has declared that he will lead the government as an "entity" and will not continue the practice of dividing the cabinet into "presidential ministers" and "remaining ministers," a practice that, while it seemed to "balance" power among Walesa, the PSL, and the SLD prior to the crisis, was in fact more of a game to score points against one another, according to Maziarski. The SLD, which came out of the crisis as the winner, will no longer find such a division a "satisfactory arrangement" and will now "reach out for more power," Maziarski said. He quoted another commentary from the 3 March Warsaw daily ZYCIE WARSZAWY by Robert Krasowski, who said that, paradoxically, this SLD "efficiency" is more "dangerous" than Pawlak's awkwardness.

Maziarski predicted the isolation of Walesa, who "lost the battle with the Parliament and offered a helping hand to the postcommmunists" by setting off the events that led to the government change. The commentator argued that Walesa's actions evidently alienated the public, the parliamentary opposition, and several right wing parties, which gradually will "withdraw" their support for his handling of the crisis and for his reelection. Providing support for Maziarski's view, the Social Research Laboratory (PBS) noted in the 4-5 March RZECZPOSPOLITA that 50 percent of the public disapproved of the way Walesa handled the crisis and 70 percent considered Walesa's performance as president unsatisfactory. Maziarski noted that paradoxically, Walesa's alienation may strengthen unification tendencies within the right wing parties, whose leaders view the postcommunists as a threat, doubting their commitment to continuing reform and viewing skeptically their professed desire for Poland's integration with European structures.

Although Maziarski predicted the PSL's marginalization within the coalition, he argued that the PSL remained in the government to defend its own party interests. The party has the capability to maneuver and has three options: to be a faithful partner in the coalition, to side with Walesa, or to build an alliance with the political right. At this time the party's choice is not clear, but having the choice gives the party "political comfort" concluded Maziarski. The main opposition party in Parliament, the center-right Freedom Union (UW), which was once the strongest parliamentary party, does not have such comfort, Maziarski contended. Controversy over how to respond to the recent crisis deepened divisions within the party to the point that now, on the eve of its party congress, the UW is without a unified policy.

An article by Boguslaw Mazur in the 5 March WPROST supported Maziarski's views on the PSL and UW. Despite its defeat, the PSL was continuing to play an important role in the political landscape and was trying to redefine its image to ensure that it remains viable in the longer term, the article indicated. At its February Congress, which reelected Pawlak as party leader, the

PSL reached out to the rural electorate by confirming its support for "special" state protection for small family-type farms, which it called, in conflict with the SLD's plan to restructure agriculture, the "foundation of our agrarian system." The PSL also opened the way for possible future cooperation with the right by removing the ideological center-left orientation from the party's statute, replacing it with the proclamation that the PSL is returning to its "Christian-national roots." Turning to the UW, the WPROST article said that the governmental crisis brought to light the party's internal divisions. A left-wing faction supports Leszek Balcerowicz and a right-wing faction calls for the reelection of Tadeusz Mazowiecki as party chairman. There is also a dispute over whether the party's candidate for president against Walesa should be Jacek Kuron or Hanna Suchocka, and the party is divided over whether it should move toward "modernization" or preserve the status quo, the WPROST article reported.

Privatization Minister on Policy, Threats

WS2403140095 Warsaw NOWA EUROPA in Polish 23 Mar 95 p 13

[Interview with Polish Privatization Minister Wieslaw Kaczmarek by Zbigniew Kozakiewicz; place and date not given: "Approximately 4,500 Companies Are Waiting To Be Privatized: The Need for Mass Programs"]

[FBIS Translated Text] [Kozakiewicz] Mr. Minister, according to earlier statements, this year is to be the most productive in the history of ownership transformations. Are we able to talk about the successful implementation of adopted projects now that nearly three months have already elapsed from the beginning of this year?

[Kaczmarek] I still maintain that 1995 may be the most productive year in the history of privatization, despite the fact that we had tensions on the political scene and a change of government and that we have experienced developments that did not create favorable conditions for ownership transformations. Privatization, viewed as the search for a new owner and making the decision of selling national property, is a complex process. The very decision of selling is often the object of arguments and criticism, particularly the choice of a new owner, as there are always those who are dissatisfied that they were not selected.

What are we planning? This year, 27 trillion old zlotys [Z] is to be generated for the budget from privatization, over Z15 trillion of which will be from capital privatization. These are huge sums, but approximately 80 projects are currently under way within the framework of capital privatization alone. We wish to complete 40-50 of them this year.

[Kozakiewicz] Could you mention at least some of the projects that are to be finalized this year?

[Kaczmarek] This year, we want to complete the privatization of the cement industry, and I mean here the cement plants in Ozarow and Kujawy, the cable industry—Kable Ozarow; the food industry—the largest project is in Winiary; nonferrous metals—the Konin Steelworks, the Light Metal Plant in Kety, and Hutmen in Wroclaw. We also want to complete the privatization of the car tire industry—we have two giant plants, which count not only on the Polish market—Stomil in Olsztyn and Debica. As for the beer industry, we want to privatize breweries in Wroclaw, Tychy, Lezajsk, Sierpc, and Glupczyce. We also want to make progress in the privatization of the meat industry. We are not counting on huge profits in this area, but two or three plants should change their ownership status—Jaroslaw, Kolo, and Ostroleka. This year should also see the completion of privatization in the automotive industry. We have recently sold the plant in Jelcz; now the time has come to sell Polmo in Praszka and several smaller plants. Privatization processes are also being continued in a huge group of companies called Elektromontaz and Energomontaz. We want to privatize at least two leading plants in the pharmaceutical sector.

We do, of course, have many more projects, but it is impossible to mention them all. I would like to say, however, that we want to launch the process of putting Miedz Polska SA [copper plant] up for public offer [upublicznienie] with great care and professionalism. We must also find a long-term solution for plants of the nitrogen industry and enter the chemical industry on a wider front. It is premature, however, to speak of the perspectives of privatizing the petrochemical industry.

[Kozakiewicz] If, however, we wanted to highlight the characteristic points of ownership transformations for this year, what would they be?

[Kaczmarek] The implementation of our projects will succeed when capital is generated for the budget and for investments within the companies. This year will also be special because the National Investment Funds [NFI] are to launch operations. The "Stabilization-Restructuralization-Privatization" project is to be implemented. I think that transformations in the field of converting debts into company shares will become more dynamic. We also want to improve the effectiveness of direct privatization, with its three basic "paths": distributing shares among employees [akcjonariat pracowniczy], transforming the companies into partnerships, and sales, very quick sales. We will want to place stress on the organization of companies into partnerships and selling them quickly.

[Kozakiewicz] Are there any threats to the successful implementation of those projects?

[Kaczmarek] The main threat to privatization is a lack of stability on the political scene, in the broadest sense. Antiprivatization arguments are often brought up in political and interparty disputes. This creates a bad atmosphere surrounding privatization and paralyzes the process of making risky decisions. And we do function in a ministry where such decisions must be made. I suspect a second threat will surface sometime in May, when the presidential election campaign gains momentum. The presidential candidates will probably appeal to the emotions of all the citizens. Everyone will want to present a program which will attract as many voters as possible. One may thus expect various false promises connected with giving out national property. Such situations always cause restraint on the part of foreign capital, and I believe that its presence in Polish economic structures will be decisive for the growth of the economy.

[Kozakiewicz] Mr. Minister, a lot is being said lately about the mass privatization projects. The prime minister has announced they are to be launched, and you yourself spoke about them before the Sejm Commission of Ownership Transformations. What are the main objectives of these projects?

[Kaczmarek] If we want to carry out the changes in our economy quickly, we must launch the mass privatization projects. Approximately 4,500 companies are waiting to be privatized. Changing their ownership structure, management systems, restructuring them, changing the assortment of goods they offer, and inducing behavior typical for the market economy can be carried out only through the mass projects. Privatization on a "project-to-project" basis would take years. Projects such as those of the NFI give a chance of enhancing the effectiveness of privatization. NFI will be a pilot project, it will be a pioneer program that is to show us where we erred, where our imagination failed us, and where the project was too rigid, leading to blockades that impeded its development.

We will want to implement similar programs for attaining the following objectives: first of all, to compensate citizens who sustained losses due to wrongful decisions made by previous governments, as ruled by the Constitutional Tribunal. The complaints that have been ruled as justified so far are worth approximately Z10 trillion. This is an enormous sum, considering that according to preliminary projections issued by the Main Statistical Office, Polish companies generated a net profit of Z51 trillion last year. Compensation can thus be paid out in the form of securities, covered for by production potential.

Secondly, if we wish to reform the social security system, we must establish an institution which will collect money for future pensions. In other words, this would be a closed [zamkniety] investment fund, backed by capital which is now at the disposal of the state.

The third objective is also related to reform of the social security system—reform of the health system. Health reform also requires gathering adequate means for the new system.

The fourth objective, currently only hypothetical, is related to restitution. The need to grant compensation in the form of securities may arise, and these securities must be adequately guaranteed.

I believe that such an approach to a rational use of the national property calls for the introduction of mechanisms of enfranchising society. I am all for such a solution and, from what I know, so is the prime minister.

[Kozakiewicz] Can we say which mass programs and how many of them will be launched?

[Kaczmarek] We are still developing concepts and carrying out feasibility studies. They do give an image of things to come, but it is still too early to speak in greater detail. Apart from the fact that the mass programs must be launched.

[Kozakiewicz] In that case, Mr. Minister, let us go on to another mass program, namely commercialization. Its announcement has raised numerous discussions and disputes. What is its long-term outlook?

[Kaczmarek] Each of the mass projects about which we have spoken must be preceded by commercialization. It thus has to be implemented, if only for that reason. I do wish to add, however, that the term "corporatization" [korporatyzacja] would be more adequate. Corporatization means the transformation of a state enterprise into a commercial partnership. The very fact that a company is formed into a partnership does not mean that we are dealing with a commercialized company, one that behaves typically for the market economy, taking competitive risks, not resorting to various protectionist mechanisms or relying on state intervention. Corporatization should, however, be a step forward in the direction of privatization. Undertaking the task of transforming state enterprises into commercial partnerships, we must realize what the second and third steps shall be.

[Kozakiewicz] I am afraid that commercialization has embedded itself so deeply into the public mind and the language of the media that it will be difficult to replace it with corporatization. Especially as official documents also use the term commercialization.

[Kaczmarek] I am aware of that, but I wish the transformation of state enterprises into commercial partnerships was understood correctly.

[Kozakiewicz] For months now there has been a lot of interest in the privatization of the tobacco industry, as well as in possibilities of ownership transformations in sugar plants; the idea behind these transformations is the participation of sugar plants in sugar partnerships. At what stage of transformations are these branches of industry?

[Kaczmarek] As far as the privatization of the tobacco industry is concerned, we are preparing preprivatization analyses on this. The biggest problem is to draw up a specific privatization schedule, that is, to determine who will be allowed to submit offers to purchase, when they will be allowed to do so, and which Polish companies the offers will concern. Simultaneous privatization of all the five tobacco companies lies in the interests of investors. We are not certain whether the interests of the investors converge with the interests of the State Treasury.

There is also another difficult problem. The greatest resistance to the privatization of the Krakow tobacco industry plant is being put up by tobacco growers in that region. Thus, if privatization of those plants is likely to cause some social conflicts, they will abandon the idea of privatizing that company. However, the whole issue is quite bizarre: on the one hand, there is resistance to privatization of the company, while on the other, in line with press reports, formation of a capital alliance between the private company Alians and a Danish investor is to be expected. This means that a competitor of the Krakow state-owned company is being set up. This is very strange. However, I will not be orthodox—the tobacco plant in Krakow may not be privatized this year.

The main idea behind the draft concerning sugar plants is restructuring. The State Treasury is not selling the shares of sugar plants, but it is handing them over to four sugar partnerships. The purpose of the establishment of these sugar partnerships—at this point I would like to stress that they are not unions but investment-and-management partnerships—will be to restructure the sugar plants. We suggest that privatization start with sugar plants. If an investor appears, it will be able to become a co-owner of a given sugar plant, on condition that it raises the capital of the sugar plant, or the sugar plant becomes a contribution to some joint undertaking, which we can also consider. We really would like for sugar plants to obtain capital for modernization as soon as possible. It should be borne in mind that even though we are a major manufacturer, our products are rather expensive. If we want the price of our sugar to be competitive, we must cut costs down through modernization linked with the saving of electricity and water, as well as through automation in management. Only after such restructuring has been carried out can we start privatizing the sugar partnerships, that is, the investment-and-management companies. This will be done after two years, in line with the provisions of the Commercial Code. We want all sugar plants to be included in this project, because we treat it as an efficient tool of restructuring.

[Kozakiewicz] Mr. Minister, privatization is also an area in which employees make numerous claims, especially claims concerning the possibility of obtaining shares of privatized companies free of charge or at preferential prices. What is your stand on these issues?

[Kaczmarek] Resolution of this problem depends on amending the law on privatization. The draft amendments have already been prepared. We believe that employees of privatized companies, regardless of the "method" of privatization employed in a given company, aside from employee shareholders [akcjonariat pracowniczy], should have equal rights to obtain an appropriate number of shares free of charge. I really would like this issue to be settled as soon as possible. Now the draft will be discussed by the government; I will ask the prime minister to see to it that the draft is submitted and the legislative process is begun. The fast legislative procedure should be applied here.

[Kozakiewicz] Thank you for the interview, Mr. Minister.

PFP Program Combat Vehicle Modernization

95EP0068B Warsaw MYSL WOJSKOWA in Polish No 6, Nov-Dec 94 pp 76-80

[Article by Col. Jerzy Szkoda, Ph.D., and Leszek Orlowski, Ph.D.: "Equipping the Polish Armed Forces With Modern Armored Vehicles in the Context of the 'Partnership for Peace' Program"]

[FBIS Translated Text] The Partnership for Peace [PFP] program may also benefit the development of armament technology and the armament industry. However, this requires that the basic objectives of participation in this program be properly understood, namely:

—the military objective, which is to attain a greater military potential needed to deter potential aggressors, by equipping the army with armaments of a new generation which are available to the major armies of the world;

—the economic objective, which is to efficiently use budgetary outlays on armaments, modernize the national industry, ensure employment and secure an economic effect in this industry;

—the technical objective, which is the transfer of new technologies, expertise, and experience of specialists in the area of design, research, production, and operation of armaments and materiel.

The attainment of these objectives depends on various prerequisites.

The prerequisites for attaining the military objective, i.e. the growth of the military potential, are:

—to study the needs in the area of armaments, including outfitting with combat vehicles, in view of possible threats and the reassessment of operational art and tactics in favor of air-land forms of battle, highly mobile action, and a threat posed to the heartland;

—to work out a long-term plan for the development of armaments in line with the financial and technical potential;

—to specify operational and tactical requirements in line with the concept of defending the country's territory;

—to develop a plan for completing the operation of the current generation of armaments and retiring it;

—to simultaneously and gradually introduce a new generation of armaments in the troops, together with training equipment (simulators and training simulators), make changes in the structure and organization of the army, combat manuals, and logistics.

The military objective can be considered achieved once the planned armament, materiel, training, and logistics potential has been achieved, and the ability to participate in joint undertakings with other armies has been ensured which will become possible once command and logistics systems have been standardized.

The prerequisites for securing economic benefits are, among other things:

—to participate in programs for the development of armaments and materiel of other countries, especially economically developed ones;

—to initiate joint development enterprises in which it will be possible to play the dominant role, especially those with states that have development problems similar to ours;

—to increase production runs for the products of the domestic armaments industry by exporting them to cooperating states;

—to protect the domestic armaments industry by subsidizing measures to modernize the facilities and the training of specialists out of state funds;

—to streamline the stage of design, production, and operation with an eye toward securing high quality and competitive prices;

—to avoid "unsuccessful" solutions from the point of view of the requirements of the armed forces by providing unceasing and consistent military supervision of the performance of work in the armament industry by the customer agency.

Economic benefits should manifest themselves in the form of greater participation by the domestic industry in the delivery of armaments and materiel to the army, the growth of exports and profits allowing us to carry out investment projects which make it possible to stand up to competition in the world.

The prerequisites for achieving technical objectives are, among other things:

—to establish cooperation with NATO agencies which engage in coordinating work on the armaments and military materiel;

—to join in the programs undertaken in countries which are interested in partnership;

—to initiate joint undertakings which other partners may need, too;

—to prepare the cadres for participation in joint undertakings.

Benefits in this area will be reaped when partners recognize our industry and research and development centers to be equal and competitive from the standpoint of modernity, quality, and price.

The following may be considered prerequisites on which the feasibility of cooperation in the area of combat vehicles within the framework of the partnership hinges:

1. Identical needs. In our army, the need to exchange combat vehicles results from the standards of the former Warsaw Pact and their being geared toward a concept of offensive action; in addition, the vehicles are technically obsolete (the duration of operation of this generation of vehicles throughout the world comes to about 30 years).

Similar problems occur in some armies of NATO countries. Their combat vehicles also belong to the generation designed with a view to being used in massive confrontations. At present, vehicles are needed for highly mobile defensive action and for responding to local conflicts in the event of a conventional land-air war.

2. The demand for combat vehicles of a new generation overlaps in time. According to the development programs of armies in NATO countries, a new generation of combat vehicles will be adopted at the beginning of the next century (around the year 2010) because research and development are expected to take about 10 years, given the need to ensure high quality and for economic reasons. Under our conditions, this period of time may be longer in view of the financial and technological situation. Therefore, it is in our interest to evaluate the needs after the year 2000 and to plan comprehensive undertakings as soon as possible.

3. Common interests and benefits from cooperation between partners. There is significant potential in this area because international contacts of our industry involve only the issues of current modernization. Therefore, it is critical to undertake efforts which extend further in time, including a study of the needs of the army from the standpoint of operational-tactical changes underway, mainly the new forms of air-land battle and a threat to the heartland.

It bears mentioning that in NATO countries it is common to plan for a dozen or so years ahead or longer, as indicated in generally available publications on the topic. Planning and meeting the needs of the Bundeswehr may be a good model.

It should be expected that the PFP program will contribute to the recognition of the need to develop a long-term policy in the area of outfitting the army with armaments and equipment of a new generation. Defining far-reaching plans and intentions concerning programs for the development of armaments will certainly be one of the most essential requirements of our international partners; therefore, efforts in this area should be made as soon as possible.

As a result of profound operational and economic studies, in NATO states a concept has developed of building two families of future combat vehicles: wheeled armored personnel carriers on a standard chassis and tracked vehicles on a different, but likewise standard chassis.

Owing to this concept, the industry of each of the NATO states will have an opportunity to manufacture longer production runs of standard combat vehicles (the production runs of nonstandardized vehicles are shorter) and will be less dependent on export orders.

So far, the industry has been manufacturing relatively short production runs for its own army and has sought opportunities for further export-oriented production. Increasing the production runs of standard vehicles will reduce the cost of production and sale prices for the army, and will also make military production and repair orders more certain.

The new generation of combat vehicles will meet the requirements of projected operational and tactical actions after the year 2000; their standardization will allow for simplifying training and logistics and reducing costs of operation.

Efforts to implement the concept of building tracked and wheeled combat vehicles in NATO armies include the following undertakings:

1. The NIAG [NATO] Industrial Advisory Group has been set up; based on the identification of the current status, the group works on the avenues of development of tracked and wheeled vehicles. It was determined, among other things, that throughout the world there currently are about 150,000 combat vehicles which have been designed since the 1960's. The cost of operating these vehicles increases continuously; from the economic point of view, they should be retired, all the more so because they no longer meet tactical requirements, and their modernization is not necessarily possible.

2. General requirements for the Multipurpose Basic Armored Vehicle (MBAV) were developed in 1991 and referred to specialists of the NIAG group for consideration.

Assumptions developed by NATO stress that the base vehicle should be the foundation for building a family of combat vehicles at the smallest possible cost and with the use of the most modern technologies. These vehicles should be designed to require a minimum of maintenance in operation and to be air-portable. Basic requirements include the following:

—combat-loaded weight of 20 to 30 metric tons;

—the ability to carry 10 soldiers (in the armored personnel carrier version);

—provisions to install a turret with a 105-120 millimeter cannon in the reconnaissance vehicle or tank killer versions);

—the use of three versions of the body: low, medium height, and high.

3. In 1992, three study groups were established to come up with the design of the carrying platform (the wheeled and tracked chassis), assess the actual demand for various special versions with particular load capacities, volumes, and functions, and identify the necessary weapons systems.

4. The national industries of principal NATO states have started work on the MBAV-type basic vehicles.

The analysis of developmental trends in NATO armies suggests the following conclusions:

1. Uniform requirements have been established, and on the basis of these requirements work has begun on a family of standard tracked and wheeled combat vehicles of a new generation.

2. The assumption has been accepted that all member states will produce combat vehicles of the new generation, and that standardization problems will be solved at the level of industry by mutual purchases of parts and cooperation.

3. It has been recognized that the building of two families (tracked and wheeled) of standardized vehicles will be beneficial for the armies (for training and logistical considerations) and for industry (the economics of the undertaking, the extension of production runs).

The above trends of combat vehicle development in NATO unambiguously indicate that it is feasible to initiate the establishment of cooperation with pertinent structures in the area of new generations of tracked and wheeled combat vehicles which our army needs. The PFP program offers an opportunity for such cooperation.

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Defense Industry Foreign Cooperation Discussed

95EP0070B Warsaw RYNKI ZAGRANICZNE in Polish No 15, 4 Feb 95 p 6

[Article by Pawel Wieczorek: "Possibilities for Cooperation Between the Domestic Defense Industry and Partners From NATO"]

[FBIS Translated Text] In the last three years Poland initiated military cooperation with certain NATO and neutral countries (FRG, Great Britain, Canada, France, Belgium, Spain, Austria, Switzerland, Finland). In effect, trade and cooperation in arms production also are developing.

This is important inasmuch as there exists a deep impasse in cooperation with the countries of Central-East Europe ever since the disintegration of CEMA and Warsaw Pact, although contacts with the Czech Republic and Slovakia were reestablished in 1994.

The formal basis for international cooperation at present is, as distinct from the period of existence of Warsaw Pact, provided by agreements concluded directly by defense industry enterprises. In recent years Poland has not signed any specialized international agreement regulating issues of cooperation between the domestic arms industry and foreign partners. One exception here is the June 1994 agreement between the Polish Ministry of Industry and Trade and the State Committee for the Defense Industry of the Russian Federation, which was to create (but did not) favorable organizational and legal conditions for the growth of cooperation in arms manufacturing.

Considering the fairly extensive dependence of domestic arms manufacturing on imports of materials and various kinds of components, coproduction cooperation is indispensable, especially in the aviation, armor, and electronics subsectors. The first agreements of this kind were finalized as early as toward the end of 1993 and beginning of 1994, and others are being negotiated. This may be exemplified by the agreement to form a joint venture between the Gdansk UNIMOR Electronics Plant and a Swedish company, Ericsson, for the manufacture of radio lines, and the activation, by RADWAR CPNE, in cooperation with a French corporation, Thomson, of the manufacture of IFF (Identification Friend or Foe) equipment. The Stalowa Wola Steelplant, in its turn, is cooperating with the Swedish Bofors in the manufacture of 40-mm antiaircraft canon, while the Kalisz Communications Equipment Plant is manufacturing aircraft engine components on the basis of an agreement with the Canadian Pratt-Whitney.

Viewed in the long term, NATO countries will become increasingly interested in developing such cooperation. This is due, first, to the nature of the changes taking place in their defense industries, and especially to the ongoing expansion of supranational arms-manufacturing structures. Second, the shrinking demand for armaments and military equipment (both within NATO and worldwide) is forcing NATO countries to explore new markets as well as ways of cutting the cost of implementing programs for the development and manufacture of armaments, to reduce the economic risk involved in such projects.

Without Restrictions

All the formal-legal barriers previously blocking the access of Poland (and other countries of our region) to goods and technologies important from the military point of view have already been abolished. In this context mention should be made also of the so-called Brown Amendment, passed by the United States Congress in October 1994, which confers on Poland and other countries of the Visegrad Group the status of informal allies of the United States; this unlocks the prospects for leasing or purchasing American weaponry and technology as well as for launching coproduction of up-to-date military equipment. It is worth noting that the Brown Amendment does not hurt the interests of the Polish defense industry but on the contrary, it opens access to modern technologies and is thus a factor in facilitating the modernization of that industry. This is important, because precisely owing to technological considerations the Polish defense industry will as yet be unable in the near future to participate in major NATO coproduction projects.

A Law With Loopholes

The expansion of cooperation with NATO countries was facilitated by the Sejm's adoption of the "Law on Guidelines for Special Monitoring of Foreign Trade and Technologies in Connection with International Agreements and Obligations," which took place on 2 December

1993. This was assisted by the development of appropriate implementing regulations, which have not as yet, however, been introduced. It also is indispensable for Polish legislation to include laws on the protection of confidential material and military information obtained abroad.

The Polish defense industry markedly diverges from the standards set by the main NATO countries as regards organizational structure, funding mechanisms, up-to-dateness of machinery pool, and technological advancement of production. Similar disproportion also exist in the less highly developed member countries of NATO, but on a smaller scale. Hence, the inclusion of the defense industry in the system of NATO cooperation in the development and manufacture of armaments has to be preceded by a transition period of seven to 10 years during which special preferences are to be granted, which will serve to bring in order the whole of the aspects of operation of that industry and its adaptation to new operating conditions.

A major role can be played here by the already declared assistance of NATO countries. But, at least for the time being, it is principally of an indirect nature and consists in providing recommendations on requests for funding specific restructuring projects from Western aid programs (especially PHARE). So far the defense industry has availed itself of this possibility only to a very limited extent.

Environmental Protection Expenditures

945P0049B Warsaw PRZEGLAD RZADOWY in Polish No 12, 1 Dec 94 pp 71-76

[Report by Foreign Cooperation Department in Ministry of Environmental Protection]

[FBIS Translated Text] The biggest international financial institutions have recently been accused of granting no funds for environmental protection. The present study by the Foreign Cooperation Department of the Ministry of Environmental Protection elucidates the extent to which Poland is benefiting from foreign aid and identifies the Polish funding sources for ecology.

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Sources and Scope of the Funding of Ecology Investments in Poland

When discussing the forms of foreign cooperation in investing in environmental protection in Poland attention should be paid to the marked evolution of these forms that occurred in just the last few years. Initially, starting in 1990, that cooperation was in the nature of a "first aid bandage" and was based on donations and subsidies. In time the share of loans and such forms of cooperation as investments of foreign capital and joint ventures began to grow. These more advanced forms of partnership triggered mechanisms which resulted in optimizing the benefits to all the sides participating in the cooperation. Hence, the further development of international cooperation in environmental protection should proceed in precisely that direction.

Domestic Funding Sources and Spending Structure:

The expenditures on environmental protection in Poland between 1990 and 1993 amounted to as follows:

Expenditures on Environmental Protection in Poland During 1990-93

Subject	1990	1991	1992	1993
In millions of dollars	580	840	1,000	1,100
Share in GDP (in percentage	0.7	1.0	1.3	1.3

Sources: 1. "Report on the Condition of the Polish Economy, 1992-1993," published by the Institute of the Nation's Economy, Main School of Commerce. 2. "Environmental Protection 1993," from the series "Statistical Information and Studies," Main Statistical Administration (GUS), Warsaw, 1993.

During that period spending on environmental protection in Poland rose from $580 million in 1990 to $1.1 billion in 1993, or from 0.7 percent of the GDP in 1990 to as much as 1.3 percent, or to a level similar to that in the OECD countries, in 1993. Even so, however, Poland is still markedly lagging behind as regards ecology investments.

Poland's relatively high outlays on environmental protection (as compared with other Central and East European countries as well as with the possibilities of an economy in transition) are possible owing to a proper national ecological policy and the applied and continually refined legal system serving to procure funds for environmental protection from fees and fines. The rise in the share of spending on ecology investments in the distributed national income is reflecting our country's aspiration to attain European standards as soon as possible. Poland's National Ecological Policy was approved by the Sejm in 1991 and is being consistently pursued.

Ecology investments are financed from several funding sources. Thus (based on 1993 statistics), subsidies from the state budget accounted for 5 percent of the overall outlays on environmental protection; grants and loans from the national, voivodship, and municipal environmental protection funds accounted for 65 percent; and the funds on hand and enterprise credit constituted the remaining 23 percent of these outlays. Local authorities spent altogether 10 percent from their budgets as well as from loans, while foreign aid in the form of grants and loans funded 3 percent of the overall outlays.

Outside Funding Sources and Their Utilization

As noted previously, 97 percent of the outlays on ecological purposes in Poland derives from domestic funds, with foreign funds accounting for little, about 3 percent at present, in comparison. These foreign funds derive chiefly from bilateral assistance programs, as well as in the form of credit from international financial institutions. A role is also played by ecoconversion, meaning the exchange of a part of Polish debt for financial assistance in environmental protection.

Assistance Under Bilateral Cooperation

Between 1990 and the present, under bilateral cooperation, Poland received assistance from 11 countries and two international organizations, the EC (PHARE [Economic Reconstruction Aid for Poland and Hungary] program) and the World Bank. This assistance extends to funding 236 projects with grants totaling about $230 million.

Nearly one-third of the projects concerns problems of national importance. The remaining projects, of regional importance, are sited in 33 voivodships. Most of them are centered in regions of ecological danger, that is, in the Katowice (33) and Krakow (17) voivodships as well as within the belt of five maritime voivodships (49). That funding in the maritime belt, chiefly for the construction of sewage treatment plants, is an important contribution to improving the condition of the Baltic Sea.

Of the total of 236 projects foreign assistance for 72 has been completed and amounted to $24 million, i.e., about 10 percent of the total assistance. An additional 112 projects receiving $162 million in assistance is in the implementation stage. The remaining 52 projects are in the stage of discussion prior to their launching.

Foreign assistance is channeled in accordance with the priorities of the National Ecological Policy and regional needs for environmental protection. Eighty percent of the funds granted is allocated for the fundamental domains of environmental protection according to the following breakdown:

Protection of the atmosphere—39 percent;

Protection of waters and water management—21 percent;

Protection of earth surface—8 percent;

Protection of nature—3 percent;

Environmental monitoring—9 percent.

As regards the material structure of the assistance, it should be emphasized that 65 percent of the funds is earmarked for sponsoring the implementation of investment projects, with the remainder concerning chiefly shipments of measuring equipment, acquisition of expertise in environmental protection technology, management and personnel training.

Of special importance to environmental protection in Poland is assistance from the Commission of European Communities, amounting to 75 million ecu ($84 million), provided under the PHARE program.

Funds from the PHARE program have been allocated during its individual stages on financing:

—Projects of special importance to the environment (PHARE I).

—Regional and sector programs (PHARE II).

—Specific investment objectives, channeled directly to investors (PHARE III).

More than 87 of the funds granted for the PHARE I stage of assistance has been utilized so far, spending nearly 57 percent on purchases of investment goods for industry and utilities as well as on environmental monitoring.

From the second stage of assistance, PHARE II, about 50 percent of the funds will be committed this year to implementing sector programs in the region of Upper Silesia and nationwide; to a marked extent these programs concern studies and the attendant pilot programs being implemented.

For Upper Silesia this concerns in particular:

—A master plan for restricting emissions of air pollutants.

—Optimization of the management of waters and liquid wastes.

—A study of eliminating food production in polluted areas.

—A master plan for utilizing municipal wastes.

Nationwide, this concerns chiefly:

—A master plan for the management of toxic wastes.

—A national system for averting extraordinary environmental threats.

—Support for the National Center for Ecological Education.

—Support for a national system of environmental monitoring.

The third stage of the program, PHARE III, is at present being prepared for introduction, with funds exceeding 10 million ecu to be directly allocated for ecological investments. In view of the nature of the objectives which will be funded in this stage of assistance, it will be implemented with complete participation of the National Fund for Environmental Protection and Water Management.

The extent of the aid granted by the various countries is as follows, based on detailed data from the latest reporting period, i.e., until the end of 1993:

Source of Aid	Amount (in Millions of $)
World Bank	4.5
Belgium	1.757
Denmark	30.613
Finland	6.727
Netherlands	8.793
Japan	5.327
Norway	3.736
Germany	26.341
Switzerland	2.734
United States	36.3
Great Britain	0.334

Source: Report of the Office of the "Strategy of Environmental Management Program, Ministry of Environmental Protection, Natural Resources, and Forestry, 1993, Warsaw.

This assistance is markedly concentrated as regards the donor countries. The financial participation by the four countries granting the most assistance to Poland, i.e., the United States, Denmark, Germany, and Sweden, together accounts for 77 percent of all bilateral assistance and concerns 118 projects. Of these four, two are Scandinavian countries. Thus, cooperation with Scandinavian countries is of major assistance to the Polish efforts to invest in environmental protection: Denmark, Finland, Norway, and Sweden together assist in funding nearly three-fourths of all the projects funded with foreign grants and account for 57.2 percent of all the funds granted.

Foreign bilateral assistance concerns the following domains of environmental protection:

Foreign Aid in Breakdown by Domain of Environmental Protection

Domain of Environmental Protection	Number of Projects	Amount (in Millions of $)
Protection of the atmosphere	37	79.264
Protection of waters	74	35.795
Protection of earth surface	27	7.490
Protection of nature	7	5.031
Environmental monitoring	12	7.458
Others	43	11.307

Source: Report of the Office of the "Strategy for Environmental Management" Program, Ministry of Environmental Protection, Natural Resources, and Forestry, 1993, Warsaw.

The sizable amount of the funds allotted for protection of the atmosphere is due to the significant aid of the United States, $30 million, earmarked for two projects:

—Technical assistance and acquisition of equipment for building a facility for the desulfurization of combustion gases at the Skawina Power Plant.

—Elimination of air pollution in Krakow.

Similarly, Germany granted $26 million for another atmospheric protection project, the construction of an integrated heating system for Gliwice.

Together the above two countries account for 70 percent of the assistance in this domain and nearly 40 percent of overall bilateral assistance.

The Scandinavian countries prefer to fund the protection of waters and water management, mainly in the voivodships of the maritime belt. Of growing interest also is the "Southern Belt," chiefly the Katowice and Krakow voivodships.

As far as foreign aid is concerned, the structure of bilateral assistance is highly important. In the case of financial assistance for environmental protection in Poland, from the standpoint of the recipient such assistance is advantageous in view of its broad nature and the high proportion of the funds allotted for investments (80 percent). This structure is as follows in the table below.

Material Structure of Foreign Aid

Kind of Assistance	Number of Projects	Value (in Millions of $)
Investments	112	117.630
Construction of installations and facilities	5	14.529
Studies and expertises preceding the investments	39	11.327
Equipment deliveries	35	43.621
Project development	32	41.374
Acquisition of licenses	1	6.779
Deliveries of measuring equipment	11	9.273
Development of master plans	22	6.692
Projects dealing with management and funding	8	2.01
Training projects	18	4.545
Studies dealing with environmental monitoring	8	3.736
Others	21	2.459

Source: Report of the Office of the "Strategy for Environmental Management" Program, Ministry of Environmental Protection, Natural Resources, and Forestry, 1993, Warsaw.

Role of International Financial Institutions (EC, World Bank, EBRD [European Bank for Reconstruction and Development])

Assistance under bilateral cooperation, based on agreements, protocols, and understandings, has so far been chiefly in the form of grants. Maintaining this form of assistance is in the interest of Polish ecology. Nevertheless, once the most urgent objectives are accomplished and after the benefits of the grants received are utilized, it will be necessary to obtain funds of a more commercial nature, i.e., foreign loans, in order to augment the overall extent of outlays on environmental protection. This entails augmenting the scale of cooperation with international financial institutions. Independently of the grants being received from the World Bank, Poland has obtained or will obtain from that institution credit for environmental protection. In 1990 credit agreements were concluded with the World Bank for $18 million to sponsor the implementation of pilot models for streamlining the system of environmental management, and in 1993 for $14.6 million to implement a development program for selected domains of forestry and ecosystem protection in national parks.

Assistance in the form of credit, with the object of complementing domestic funds for environmental protection, is also being received from the European Investment Bank, with which was concluded a contract for a loan of 13 million ecu ($14.6 million) to implement a development program for selected domains of forestry.

In addition, talks with the European Bank for Reconstruction and Development about loans for funding major investment projects are continuing. That bank was a source of the funds for building the sewage treatment plants in Gdansk and Lodz as well as for other infrastructural investments indirectly related to environmental protection.

Private Funding Sources

In mentioning the forms of foreign participation in funding investments in Polish ecology we should discuss more broadly one more possibility which should already in the very near future acquire its proper importance. It is foreign private capital. The first steps to mobilize funds from that source are being made by the EBRD, but a proper scale of funding from that source will be reached only after even more favorable general economic conditions are provided in Poland. The interest of private foreign capital in investing in environmental protection is considerable, and the process of its entry has already started.

Going halfway to meet these trends, the National Fund for Environmental Protection and Water Management (NFOSiGW) has commenced to establish a portfolio of ecological investments for which the chances of obtaining financing from that NFOSiGW or from other ecology funds are smaller but which owing to their nature could be of interest to the foreign investor.

Principal Polish Institutions Funding Environmental Protection

General Information on the System for Funding Ecology:

The nature of the system for domestic funding of investment projects for environmental protection in Poland consists in involving in this process all the entities for which a place of their own can be found in this system and in mobilizing the largest possible amount of funds, as well as in establishing leading institutions in the form of central and local ecology funds.

The importance of the discrete elements of this system is best illustrated by the listing of domestic funding sources presented earlier in this article, which shows that more than one-half (59 percent in 1993) of the overall funds allocated for environmental protection derives from the National Fund for Environmental Protection and Water Management (NFOSiGW) and from voivodship and municipal environmental protection funds.

The Role of the NFOSiGW

The NFOSiGW is an autonomous financial institution established by virtue of the Amended Law of 27 April 1989 on the Protection and Shaping of the Environment.

The Fund constitutes the principal legal-economic element of the system of sanctions and preferences which, by means of fees and penalties, on the one hand, and grants and preferential credit on the other, provides an incentive for enterprises to promote environmental protection.

The paramount purpose of the Fund's operations is to accomplish the objectives ensuing from the National Ecological Policy. Its activities contribute to restructuring the economy in a manner serving to streamline the use of natural resources and reduce the environmental harmfulness of industry.

The income of the National Fund, as well as of the voivodship and municipal environmental protection funds, derives from the fees and penalties assessed pursuant to the Law on the Protection and Shaping of the Environment and the Water Law. The municipalities receive about 10 percent of these revenues, with the remainder divided between two groups: 60 percent goes to the voivodship funds for environmental protection and water management and 40 percent to the NFOSiGW.

In addition, the NFOSiGW receives in their entirety the revenues from [fines assessed for] nitrogen oxide emissions as well as from the salination of surface waters by black coal mines (in the latter case, aside from the 10 percent transferred to the municipalities).

The effectiveness of this system of fees and penalties, in terms of their collectability, is high, amounting to 80 percent.

The revenues of the NFOSiGW are steadily rising: from 122.8 billion zlotys in 1990 to 4.827 trillion in 1993. In terms of United States dollars, these revenues rose during that period from $12.9 million to $226.1 million.

The monies thus received are assigned by the NFOSiGW for investments and undertakings in every domain of environmental protection, as well as for spurring the growth of the industry and productive capacities serving the ecology. This assistance is provided in the form of preferential loans and grants. NFOSiGW loans bear interest at the level of 0.2-0.8 of the NBP's [National Bank of Poland] refinancing credit rate. This means that actually they bear an interest rate of from 7 to 28 percent compared with the standard interest rate of 45-50 percent charged by Polish banks. Thus a measure of the actual support provided to the investor is the difference between the preferential and commercial interest rates, as well as the repayment period and the distribution of installment payments over convenient periods. Moreover, investors with a good repayment record may, following the on-schedule completion of their projects and the attainment of the postulated ecological effects, be granted partial forgiveness of repayment.

Since its establishment the NFOSiGW has concluded more than 1,500 agreements for grants and loans, totaling 8.41 trillion zlotys (about $500 million, as calculated with allowance for changes in currency exchange rates).

The NFOSiGW intends to invigorate the nature of its operations by concentrating on major objectives and gradually abandoning numerous small and scattered projects which should be handled chiefly by voivodship and municipal funds and the Bank for Environmental Protection. This new approach will also serve to shift emphasis from preliminary stages of projects to the introduction stage, in which the effects of Western technology transfers will be still greater. Moreover, it being the basis of this approach, our common effort will enhance the production potential in the economic sectors linked to environmental protection, while at the same time creating new jobs which, given our current unemployment rate (of more than 16 percent), is a matter of major national social and economic importance. Such a strategy will in the long run also be more profitable to Western partners, because it will broaden the Polish market for the goods and services relating to improvements in environmental conditions and build a solid bridge between the western and eastern neighbors of Poland, where the possibilities for cooperation and the markets are immense.

In April 1993, voivodship funds modeled on the NFOSiGW were established and given the status of legal entities and afforded broader autonomy in managing their revenues. In addition, corresponding municipal funds for environmental protection and water management were established at the local-government level. They are indispensable elements of the system of environmental protection in a decentralized socioeconomic model, complementing the activities of the central institutions. Their financial and organizational potential is rapidly growing, and their combined share in funding ecology investments by now exceeds spending from the NFOSiGW. These voivodship and municipal funds sponsor chiefly numerous smaller scale local investment projects.

Existing and New Joint-Funding Approaches

The Bank for Environmental Protection

The financial operations of the NFOSiGW are handled directly by that fund as well as partially by the Bank for Environmental Protection, established especially for this purpose. That bank, with its 17 local branches, not only engages in complementary commercial activities but also grants preferential loans for ecology investments; it is reimbursed by the NFOSiGW for the differential between preferential and commercial interest rates.

The basic figures characterizing the Bank for Environmental Protection are as follows:

Equity capital—Z330 billion ($15 million)

Operating capital—Z484.2 billion ($22 million)

Value of loans granted—Z1,728 billion ($78.5 million)

Gross profit Z23.7 billion ($1.08 million)

The EcoFund

A new, and unique on the world scale, form of international cooperation in environmental protection is ecoconversion. The Polish government proposed this solution in 1991. It consists in utilizing for the purpose of funding investments in environmental protection the conversion of a part of the Polish debt to the world's richest countries associated in the Club of Paris. In essence this proposal means that a part of the Polish debt (up to 10 percent) is forgiven by being earmarked for financing major environmental protection projects in Poland, in close cooperation with the companies of the countries which accept the idea of such ecoconversion.

Thus, this proposal is advantageous to both sides and thereby represents an effective form of Poland's cooperation in environmental protection with its foreign partners. To our country this means additional substantial funds which can be allocated for this field, so greatly neglected for decades. To the creditor countries, on the other hand, this is an excellent form of promoting their best companies and best technologies on the still very capacious Polish market.

According to calculations and assumptions, Poland's creditors would participate to the following extent in ecoconversion:

Potential Participation of Poland's Creditor Countries in Ecoconversion

Country	Ecoconversion Funding (in Millions of $)
France	480
FRG	479
USA	365
Brazil	365
Austria	343
Canada	297
Great Britain	210
Italy	164
Japan	137
Netherlands	54
Sweden	51
Switzerland	47
Belgium	31
Norway	29
Denmark	18
Finland	12
Spain	9

Source: According to the EcoFund's figures.

In the event that all the member countries of the Club of Paris agree to the ecoconversion, this total would be upward of $3 billion.

The Club of Paris in its decision of April 1991 created the possibility of utilizing the machinery of ecoconversion also in the form of voluntary bilateral agreements. So far, Poland has signed the related agreements with:

—The United States, in June 1991, for 10 percent of debt, or $367 million.

—France, in June 1993, for 1 percent of debt, or $52 million.

—Switzerland, in December 1993, for 10 percent of debt, or $48 million.

To efficiently manage the funds deriving from the ecoconversion of the Polish debt, a foundation termed the EcoFund was established in 1992; its founder was the finance minister, acting on behalf of the Treasury of State. The bylaws of this foundation define four domains of international importance in which the EcoFund can sponsor particularly important projects. They are:

—Restricting the emissions of gases causing planetwide climatic changes (the so-called greenhouse gases, such as carbon dioxide, methane, and freons).

—Restricting the cross-border flow of sulfur dioxide and nitrogen oxides from Polish territory.

—Reducing the pollution of the Baltic.

—Protecting the biological diversity of nature in Poland.

In these domains the EcoFund sponsors only projects of an investment nature, on allocating grants in amounts of, as a rule, not more than 30 percent of the project's cost. In particularly warranted cases, in which the investor is a local-government agency, such subsidies may reach 50 percent of project cost, and in the domain of protection of nature, even as much as 80 percent. The remaining cost of the project (that is, as a rule, 70 percent) must be funded by the borrower in the form of the largest possible contribution of own capital plus monies from commercial and preferential loans. The experience so far indicates that in nearly every case the EcoFund has been closely collaborating with the NFOSiGW in assembling the financing of investment projects and evaluating their technical and economic aspects.

Since the monies available to the EcoFund derive from Poland's creditor countries, a major objective of this foundation is to promote on the Polish market the optimal environmental protection technologies available in the countries which accept the principle of ecoconversion. Hence also the EcoFund, when making a grant, poses the requirement that all prime contractors and suppliers be selected on the basis of bidding from among both Polish companies and companies from the countries belonging to the EcoFund. Such bidding should proceed according to the guidelines developed by the European Bank for Reconstruction and Development.

In the course of its one and one-half years of existence the foundation has made grants totaling more than Z400 billion to 40 projects, which include such undertakings as:

—Two large gas-desulfurizing installations at the Turow and Skawina power plants.

—Elimination of coal as a fuel in Krakow, Zakopane, Pyrzyce, Dabrowa Gornicza, and Suprasl.

—A roughly 20-percent reduction in the use of freons by Polish industry owing to technological modifications at five plants.

—The construction of 12 municipal liquid waste treatment plants, of which eight in localities lying directly on the Baltic seashore.

—The restoration of normal water relations in the most valuable nature reservations registered with the International Convention on the Protection of Water-Marsh Areas (the so-called Ramsar Convention)—in the Oswin Reservation in Masuria and Slonsk Reservation at the confluence of the Warta and Odra rivers.

—The construction of centers for ecological education in the Biebrza, Roztoki, and Pieniny national parks.

—Active protection and reintroduction of the eagle and other species of birds of prey threatened by total extinction.

Vacaroiu Briefs Parties on Paris Talks

AU2503173995 Bucharest Radio Romania Network in Romanian 1800 GMT 24 Mar 95

[Statement by Romanian Prime Minister Nicolae Vacaroiu in Bucharest on 24 March—recorded]

[FBIS Translated Text] According to the agreement we reached after our talks on 18 March, I invited the representatives of the political parties represented in Parliament to a briefing today on our work at the [20-21 March] European Stability Pact conference held in Paris and my talks with Prime Minister Gyula Horn, Prime Minister Meciar, Prime Minister Edouard Balladur, and other officials.

I also presented in detail the draft of the basic political treaty between Hungary and Romania. I would like to point out that all the political parties whose leaders attended today's meeting approved of the principles contained by the declaration I signed with Prime Minister Horn—namely, that the negotiations will continue in April. I would like to stress that this treaty—each of its paragraphs and articles—will be negotiated with the utmost responsibility, so that in the end we will have a specific treaty without any room for comments or interpretations, and one that is able to genuinely serve the purpose of furthering and expanding the good-neighborly relations between Romania and Hungary.

[Bucharest ROMPRES in English at 1720 GMT on 24 March carried the following additional information referring to the parties attending Vacaroiu's briefing: "The government was represented by State Ministers Teodor Melescanu, foreign minister, Dan Mircea Popescu, minister of labor and social protection, Florin Georgescu, minister of finance, as well as Valer Dorneanu, minister for the relations with Parliament. The following parties answered the government's invitation: the Social Democracy Party of Romania, the Romanian National Unity Party, the Greater Romania Party, the Socialist Party of Labor, the Democratic Agrarian Party of Romania, the National Peasant Christian-Democratic Party, the Civic Alliance Party, the Liberal Party '93, and the Democratic Union of Hungarians in Romania."]

Foreign Debt Grows by $221 Million in Dec

AU2503210095 Bucharest CURIERUL NATIONAL in Romanian 21 Mar 95 p 1

[MEDIAFAX note: "Romania's External Debt Increased by $221 Million"—all figures as published]

[FBIS Translated Text] By the end of last year Romania's external debt amounted to $4.417 billion, which exceeds by $221 million the debt at the end of November 1994. Romania's principal creditors Romania were the IMF [International Monetary Fund] with $1.313 billion (29.72 percent), the World Bank with $666 million (15.078 percent), and the European Union with $550 million (12.45 percent). Among the creditor-countries France ranks first, with $307 million, followed by the United States with $294 million.

The BNR Hard Currency Reserves Decreased by $92.63 Million

At the end of January, the BNR's [National Bank of Romania] hard currency reserves amounted to $498.82 million (887.9 billion lei), as compared to $591.45 million (1,045.1 million lei) at the end of December 1994. The gold reserves amounted to 81.87 metric tons (1,709 billion lei), as compared to 81.66 metric tons (1,704.5 billion lei) in December, says the January report issued by the BNR. The trading banks' January hard currency reserves amounted to $1.641 billion (2,921.7 billion lei), as compared to 1.551 billion (2,740.8 billion lei) in December of last year.

Timisoara Police Arrest Uranium Ore Trafficker

AU2403151495 Bucharest ADEVARUL in Romanian 20 Mar 95 p 1

[Petre Musat note: "Radioactive Ore on Sale!"]

[FBIS Translated Text] In one of the marketplaces in the center of Timisoara the police caught Gheorghe Crisan, 43, an inhabitant of Lenauheim village, trying to sell 11.1 kilograms of radioactive ore. The laboratory tests showed that the "merchandise" contained Uranium-238. The Timisoara Prosecution immediately ordered investigations, with the defendant under arrest.

Ganic Says U.S. Trip 'Really Impressive'

AU2403194495 Sarajevo VECERNJE NOVINE (Maribor Edition) in Serbo-Croatian 20 Mar 95 p 2

[Article on interview with Ejup Ganic, vice president of the Bosnia-Herzegovina Federation, by Mahmut Latific and Mensur Colakovic; place and date not given: "UNPROFOR Only for Bosnia"]

[FBIS Translated Text] Ejup Ganic, member of the Bosnia-Herzegovina Presidency and vice president of the federation, who represented us at the first anniversary of the federation's founding, landed at Frankfurt airport and immediately resumed his political activities in Germany.

Immediately upon his arrival at Frankfurt airport, where he was welcomed by our ambassador in Germany, Enver Ajanovic, Ejup Ganic responded to the request of VECERNJE NOVINE correspondents and described his impressions from his U.S. trip.

"It was really impressive. A large number of distinguished people from U.S. politics gathered at the federation anniversary celebration, as well as our people who live in the United States and who see in the federation of Bosniaks and Croats a real and true future for both nations. The most important part of the protocol was, of course, the meeting with the President of the United States. Bill Clinton received our delegation and assured us once again that the United States, as well as its foreign policy, will not change its attitude and that they support the integrity and sovereignty of Bosnia-Herzegovina. Clinton said that they considered the Bosniak-Croat federation to be very important for expediting the end of the war, as well as the most suitable way to solve problems between the two nations. He stressed once again that no political combination may question the unity, independence, and integrity of Bosnia-Herzegovina," Ganic said. "Of course, this attitude of the United States was confirmed on all other political levels and in all contacts of our delegation during which the problems of the Bosnian crisis were discussed in detail."

"I talked to Defense Secretary William Perry, in particular, about Bihac, I spoke with Warren Christopher about the peace plan, and with National Security Secretary Anthony Lake, I spoke about peace in the region, wondering how long the Belgrade regime can go on ignoring all the efforts the world makes and rejecting all the attempts that have been made up to now in order to establish just peace in Bosnia-Herzegovina. All in all, our trip's intention was to promote Bosnia-Herzegovina in the United States once again, as well as to sum up all that the United States has done and has not done up to now. I asked the Americans to change some things in their policy towards Bosnia. We also talked about UNPROFOR [UN Protection Force]. There is a general opinion that UNPROFOR should work more efficiently because the protection forces in some areas are functioning with merely 5 to 10 percent of their capacity, so that even the member countries that sent their troops have been disappointed by their low efficiency," Ejup Ganic points out. "The meeting with Butrus-Ghali could be of extreme importance, because he has expressed the idea of forming UNPROFOR troops for just Bosnia-Herzegovina, since their mission in Sarajevo is minor—a sort of a break on their way between Skopje, Belgrade, and Zagreb—and actually their whole protective political mission and the concept of UNPROFOR is based on Bosnia since all other events are less significant, less comprehensive."

"All our problems were presented to the American public in detail. Our impression is that they looked upon us with great respect. Another important thing is that, during our stay in the United States, [Federation President] Kresimir Zubak and I in the presence of arbiters signed the agreement on introducing taxes on all goods and capital that enter Bosnia. According to that agreement, the profit from deposits has to go to the joint account and the accumulation of those means has to be controlled by representatives of both nations. All these assets will belong to the federation."

[Box, p 2]

In Bonn, Ejup Ganic met with the representatives of the Contact Group from Great Britain, France, and Germany. The members of the Contact Group informed Mr. Ganic about their activities related to the attempt to reach a peace solution for Bosnia-Herzegovina, in accordance with their plan. They later exchanged opinions on this topic.

Commentary Views Perry's Statement on Bosnia

AU2703081795 Belgrade POLITIKA in Serbo-Croatian 17 Mar 95 p 2

[Commentary by Miroslav Lazanski: "Calming of Passions"]

[FBIS Translated Text] At the forum held at the U.S. Foreign Policy Council, the chief of the Pentagon, William Perry, stated in a very comprehensive lecture the views of the U.S. Administration regarding the situation in Bosnia-Herzegovina and options that the White House has. His lecture could be called, in a way, "the cooling of hotheads" and hawks in the U.S. Congress. Expressing the view that in Bosnia there are no good options, that the lifting of the embargo is no alternative to an intervention of the U.S. ground forces, that the supporters of the lifting of the embargo are trying to influence the war in a cheap, yet dangerous way that neither helps the people in Bosnia, nor benefits U.S. interests in the Balkans, that in case of UNPROFOR's [UN Protection Force] withdrawal from Bosnia, the conflict could turn into a Muslim war against the Serbs, that Bosnia is not Iraq, and that the American losses in case of intervention would be very high, so high even that no theory about the U.S. national interest in Bosnia could justify them, and that airstrikes would not bring about any results, Perry has presented to the members of the U.S. Congress in a cruelly realistic way how dangerous the advocating of Western military options in the former Yugoslavia is.

[This is true] because the Western democracies, by their own structures, would not be able to endure the deployment of their troops in former Bosnia-Herzegovina for a long time, where somebody would kill their soldiers for a carton of cigarettes, a chocolate bar, or a pair of good boots. That is quite remote from the democratic notion of strategy and tactics. After all, the first dead U.S. soldiers—killed not by a bullet, but rather because an aircraft crashed somewhere in the cloudy Bosnian mountains, or because a truck or transporter fell into an ravine, as happened with the French transporter recently—will be a test for the support of the U.S. public for such "humanitarian" operations.

It is not a pretty little war that is being waged in the former central Yugoslav republic, nor is it an inexpensive one. It is not being waged in Iraq, or in the deserts of southern Kuwait. In this respect, Perry is definitely right, and any engagement of U.S. soldiers, even in order to protect relief convoys and corridors, will be quite complicated for Washington. In that case the United States would have to deploy soldiers skilled enough to overcome a dichotomy: The soldiers would have to be able to wage a war, but in any possible actions, their first reaction should be to mediate. Are they able to combine these two things, because they have been neither trained for nor assigned with such tasks so far?

Bosnia is a region that, from the military point of view, does not permit great speed, sophisticated technology, or complicated orders. It is a land impregnated with ethnic and religious complexity, diversity of motives, as well as with massive disorder, a lack of clear and outright hierarchy, the impossibility of clear identification of who belongs to whom, and the absolutely difficult control over subordinate commanders and "commanders." In the entire context, the U.S. national interests are neither directly nor substantially endangered, and it is good that the chief of the Pentagon publicly underlines that.

"If anybody anywhere tries to do anything against the United States, we shall attack him militarily, and in that case things will never ever be as they were before the war." This is one of the major principles of the new philosophy of the U.S. military. The philosophy that the U.S. military has adopted today relies upon the total offensive, and it views the war of maneuvers definitely as an attack, never mixing it up with a counterattack or offensive defense. Even less with humanitarian operations or police-styled actions. The U.S. generals have always firmly believed, and still do, that the God will eventually take the side of the strong battalion fighting in a real war.

Of course, things are not as simple, which is shown by the example of Bosnia, and the question is how to prevent God from siding with the demonized and the aggressive. Although "victory" is one of the good old American values that was restored to life at the time of President Ronald Reagan and revitalized by George Bush in the Desert Storm, the speech by Pentagon chief Perry shows that President Bill Clinton still does not see the former Yugoslavia as a place where he could assert himself in the military sense. The realistic views of the Pentagon will perhaps calm the passions of some supporters of the Bosnian war option in the Congress and the U.S. media....

Izetbegovic Defines Policy at News Conference

LD2403225095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 24 Mar 95

[Passages contained in quotation marks are recorded]

[FBIS Translated Text] [Announcer] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, held a news conference today at which he spoke about some issues regarding the activity of the Bosnia-Herzegovina diplomacy and the situation in Bosnia-Herzegovina. Senada Cumurovic reports:

[Cumurovic] President Izetbegovic's trip to Bonn, the celebration in Washington of the federation's anniversary, the new Russian initiative on Bosnia-Herzegovina, and Bosnian envoy Muhamed Filipovic's trip to Belgrade—these are the latest political events that caused different political impressions on the possible change of the Bosnia-Herzegovina stance. This is what President Izetbegovic said:

[Izetbegovic] I convened this news conference in order to confirm once again that the main stances of our policy have remained unchanged. Therefore, we remain on the position of the whole and sovereign Bosnia-Herzegovina and its internationally-recognized borders; we remain on the position that it should be a democratic state in which human rights will be respected—these are the main characteristic of our internal setup in Bosnia-Herzegovina. As regards peace and war in Bosnia-Herzegovina, we remain faithful to the Contact Group plan and think that accepting this plan is a condition without which there will be no peace in Bosnia-Herzegovina.

Third [as heard], we remain faithful to the concept of the federation. Finally, regarding our relations with Serbia, you have seen that we have opened a channel of talks that will probably be continued. The aim was to directly learn about and be informed of Serbian President Milosevic's intentions regarding Bosnia-Herzegovina. I have to add here that one thing of importance is our permanent concern about our national minority in Sandzak.

[Cumurovic] This was Izetbegovic's introductory statement at the news conference, and, as regards the questions, the first one concerned the Bosnia-Herzegovina army's advance east of Tuzla.

[Izetbegovic] First, let me stress again that there has been a movement of our troops near Tuzla following the barbaric attack launched by the Serbian artillery on Tuzla. There has been a considerable [bitan] movement to our benefit. Serbian artillery has thus been moved several kilometers away from Tuzla.

[Cumurovic] In reply to the question of whether the situation in the Tuzla region will threaten the entire peace process, President Izetbegovic said that this action was necessary as 24 Tuzla citizens had been killed in the latest aggressor's attack.

He pointed out that the Serbs are not respecting the agreement on the cessation of hostilities on many points. Their attacks on Bihac, for instance, have not stopped; blue roads have not been opened; humanitarian convoys are not going to Bihac; Serbian forces have not withdrawn from the demilitarized zone of Srebrenica;, and so on. Despite all this, we will continue to respect the agreement on the cessation of hostilities if the other side decides to respect it, President Izetbegovic said.

As regards the recent talks between Serbian President Milosevic and Ambassador Muhamed Filipovic, about which few details are publicly known, Izetbegovic said the following:

[Izetbegovic] Let me say that the initiative for this meeting was made by President Milosevic and that we accepted this initiative. We informed each other on each sides' positions. I have nothing new to tell you as it seems that both sides remain on their known positions. We remain on ours, the Serb side on theirs. [Words indistinct] do not expect some huge changes to take place.

[Cumurovic] Also touched upon was the role of the UN forces in Bosnia-Herzegovina. President Izetbegovic said that what is demanded is not that the UN Protection Force [UNPROFOR] change its mandate in Bosnia-Herzegovina, but that UNPROFOR respect its obligations in Bosnia-Herzegovina.

The news conference ended with Izetbegovic's assessment of the latest activities of the Bosnia-Herzegovina diplomacy: The final result will be a much stronger political position in the world for Bosnia-Herzegovina.

Izetbegovic Views Federation, Peace Chances

AU2603153795 Split SLOBODNA DALMACIJA in Serbo-Croatian 24 Mar 95 p 7

[Interview with Alija Izetbegovic, president of the Presidency of the Republic of Bosnia-Herzegovina, by Zdravka Soldic; place and date not given: "The Abduction of General Santic Is the Job of the Year for Karadzic"]

[FBIS Translated Text] [Soldic] Mr. President, although you were on an official visit to Bonn, your absence in Washington has raised many questions and prompted many comments. Many interpreted it as your lack of support for the federation. Could you not have postponed your visit to Bonn, and why did Prime Minister Silajdzic not take part in the celebration of the first anniversary of the Washington Agreement?

[Izetbegovic] There was a clash of engagements for which I was to be blamed the least. My official visit to Germany, which was arranged more than a month ago, began on the same day of the Washington meeting. You are a journalist and you probably know that. However, the Croatian public does not know that because it was deliberately deprived of that information. My visit to Germany ended on 17 March and I returned to Bosnia on 18 March via Split. VJESNIK of that day, that is to say the following day, did not carry a single word about my visit. All the more important newspapers in the world at least mentioned that visit, but not VJESNIK.

My telegram to the Washington meeting was also ignored. Instead of presenting correct information and facts, subsequently there were only commentaries. An attempt is being made to impose and uphold the view that Izetbegovic is against the federation, which is a common untruth. However, one can convince people of anything with methods such as those used by VJESNIK. Fortunately, VJESNIK is not the only paper in Croatia. Someone in Croatia is obviously trying to flood the federation and the federation project, and it is therefore necessary to find a culprit in advance. The instructions are: Support the B-H Federation in words as much as possible, but thwart it in practice wherever this can be done. This policy has become quite clear to all those people at home and abroad who can think clearly. Regarding criticisms addressed at me in Croatia, the line of separation here is also quite clear. All those who favor an integral Bosnia support me, and those who favor its division or have similar ideas, cannot stand me, I would even say they hate me. They are inventing things that I have not said, and ignore what I have said or have done, or interpret things the way it suits them. At times I am angry with that, at times worried, and at times even entertained by it. As far as Silajdzic is concerned, he could not go to Washington because he was at the same time paying a very important and useful visit to China. After all, we were all represented in Washington by a very important man in our hierarchy, Professor Ganic. He has accomplished his job very competently and successfully.

[Soldic] Can you single out the most important agreement for the Republic and the Federation of Bosnia-Herzegovina reached in Bonn during your visit?

[Izetbegovic] These boil down to four things: (1) political support for the integral and democratic Bosnia-Herzegovina; (2) the opening of lines of economic aid; (3) sponsorship for hospitals in Bosnia-Herzegovina; (4) help in solving problems with regard to setting up satellite television in Bosnia-Herzegovina.

Agreement From Bonn

[Soldic] How do you view the agreement between Zubak and Ganic? Do you think this agreement can be realized within the set deadlines?

[Izetbegovic] Seen in general, I view it positively. I say in general because I would have perhaps formulated some solutions differently. Regarding the deadlines, they are tight and demand quick action, but are not unrealistic. They would be unrealistic only if we did not want to act and if we needed excuses.

If I were to single out the most important thing that was agreed there, I would, for understandable reasons, give priority to obvious things, in this case to the agreement concerning the Doljane-Doboj road. I refer to the placing of this road under the control of the federal police and customs. We are talking about a clear issue over which there could be no usual wavering, a test for the existence or nonexistence of the political will to set up a federation.

[Soldic] During the signing of the Bonn agreement, HVO [Croatian Defense Council] General Vlado Santic was abducted. General Delic described the case as an excess without political background, while the Presidential Council of Herceg-Bosna rejected his comment. What can you say about the Santic case, and do you think this event will affect Croatian-Bosniak relations?

[Izetbegovic] This is, of course, a regrettable case from the human and political point of view. Someone, deliberately or not, has done a job of the year for Karadzic. Let us hope that both sides will realize that and that they will not fall into a trap.

[Soldic] President Zubak very often blames the republic's pretensions to be above the federation for the slow implementation of the federal constitution. Where do these problems of "seniority" lie?

Joint Command

[Izetbegovic] I do not know where they lie. President Zubak made this claim but did not elaborate on it. Disagreements can stem from the different interpretations of the meaning of the federation as a project. For us, the federation is a step toward the integration of Bosnia. There is also another approach to this, a federation as a form of dividing Bosnia. In any case, the relationship between the federation and the republic is the relationship between a part and the whole. And the whole is always greater than its parts. People say this is an axiom.

[Soldic] The Croat side often mentions the problem of unclear definition of the future army of the federation as a fundamental issue for setting up the federation. While the HVO favors an army with two components, that is the HVO and the Army of Bosnia-Herzegovina, the Army of Bosnia-Herzegovina favors an army consisting of only one component. How, in your opinion, should that army be organized, and how do you think these two principally different opinions can be reconciled?

[Izetbegovic] The simple answer is: While the war is still going on, there should be two armies with perhaps a joint command for coordination. When the war ends, there should be one army formed through the integration of the two existing components. The process could be gradual and organized in the way that its results do not threaten the principle of the equality of the people. A solution can be found if there is a political will. The condition for this is confidence that is currently lacking, but that could be built in the meantime.

[Soldic] A joint command of the Croatian Army and the Army of Bosnia-Herzegovina and the HVO has recently been set up in Zagreb. What does it mean for Croatia and Bosnia-Herzegovina?

[Izetbegovic] It means a lot, if it works. I have somewhat more hope in that because soldiers, as a rule, are more straightforward and more honest people than politicians. The next meeting of the command will take place in a town in Bosnia at the end of the month. Let us wish them all the best.

Return of Refugees

[Soldic] Nothing has been done with regard to the return of refugees. Why?

[Izetbegovic] There are several reasons. One of them is the fact that there is a fragile truce in Bosnia, but not peace. And peace, as mathematicians would say, is a necessary but not sufficient condition. The other reason is the transit through Croatia. Croatia is still hesitant when it comes to signing the agreement on visas. Only a limited number of Bosnians are granted transit visas, and this is done after several days of waiting. This is one of the more important issues on the agenda of the meeting of the two countries' governments scheduled to take place on 23 and 24 March in Zagreb. Silajdzic is already there. Follow what they are going to do and you will have your answer.

Regarding internal refugees, we have started with Vares as a pilot project. We decided to make the first step, we allowed 500 Croat families to return, provided that the HVO makes the same move and allows the same number of Bosniak families to return to Kiseljak. This happened about seven or eight months ago. The HVO did not do it and the process was stopped.

[Soldic] It appears that the Contact Group itself has given up its plan for Bosnia-Herzegovina. They are not showing any mechanisms that would force the Serbs to accept their plan. Looking at the general current political situation, where do you see a solution to the war with the Serbs?

[Izetbegovic] The plan is in crisis, but I would not say that the Contact Group has given up on it. It has not done so simply because it does not have a better one.

Generally speaking, the international community has not displayed a richness of ideas and inventiveness with regard to the crisis in the former Yugoslavia. By completely ruling out the use of force, and by giving up this important and irreplaceable instrument in politics, the international community has reduced its choices to the minimum.

How do I see the settlement of the war with the Serbs? Obviously, the course of events can move in several directions after 30 April. I cannot explain all of them here, but I am sure of one thing: If the Serb side does not accept the Contact Group's peace plan in the meantime, we will not accept the extension of the cease-fire. We will not accept it because this would mark the beginning of the lasting occupation of a large part of our country. Of course, the scenario is well known: Pressure will follow. I can only repeat our rule: We will negotiate wherever we can, and wage war wherever we must.

Belgrade Radio: HVO Commander Arrested in Tuzla

AU2603184295 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 26 Mar 95

[Report by Vlado Trisic]

[FBIS Translated Excerpt] The technical problem with the Stolice telecommunications relay on the Majevica front, which was the target of Muslim artillery-infantry attacks in the past seven days, was repaired this afternoon. [passage omitted]

Owing to considerable losses, the Muslim military authorities in Tuzla last night arrested Pejo Banovic, commander of the disbanded HVO [Croatian Defense Council] brigade from Soli, accusing him of inviting Croat youths to evade mobilization and desert the units of the 2d Muslim Corps.

The report that was broadcast on Croatian Radio Usora states that Banovic protested to the military authorities in Tuzla several times last week against the forced mobilization of Croats, who, unmotivated and without going through training, are being sent to the most difficult lines on Mt. Majevica. He says that Majevica will become a grave for Croats from Soli because of the insane Muslim policy that is not sparing its own let alone the Croat population, Radio Usora reports, adding that hundreds of soldiers have lost their life in the Muslim offensive on Majevica, among them a large number of Croats from Tuzla.

Croat youths from Soli are being deployed between Banj Brdo and the Stolice relay, where the fiercest fighting is taking place, the same source claims. Owing to catastrophic losses suffered in the seven-day offensive on the Serb position on Majevica, the Muslim authorities today appealed over Radio Saigon Tuzla to all those who can carry a rifle, including even women, to join the battle.

Bosnian Croats Doubt Chances of Federation

LD2603185195 Belgrade TANJUG in English 1837 GMT 26 Mar 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, March 26 (TANJUG)—The Bosnian Croat premier was quoted Sunday as saying he strongly doubted the Muslim side's commitment to the Muslim-Croat Federation in Bosnia.

Jadranko Prlic said in the local parliament that the Bosnian Croat state of Herceg-Bosna had rounded off its legal system and become an equal partner of the Muslim-held part of Bosnia, Radio Herceg-Bosna said Sunday.

'We sincerely want the establishment of the Muslim-Croat Federation, but the case of (the murdered Croat) Gen. Vlado Santic and other acts by Muslim officials cast a serious doubt on the Muslim side's commitment to the federation,' said Prlic.

Muslim authorities admitted earlier this month that the Croat general has been murdered in the Bihac pocket by members of the Muslim elite 5th Corps, loyal to Muslim Sarajevo government leader Alija Izetbegovic.

Prlic said that the Croat side would not permit the Bosnian Croat army to be swallowed up by the Muslim army, and that the people of Herceg-Bosna would have the chance to choose which army they wanted to join.

The Muslim-Croat Federation was formally set up under Washington's auspices in March 1994, but has never gotten off the ground.

Karadzic Comments on Mt. Majevica Offensive

LD2403214795 Belgrade SRNA in Serbo-Croatian 2105 GMT 24 Mar 95

[Received via fax]

[FBIS Translated Text] Bijeljina, 24 Mar (SRNA)—Tuzla is no longer a protected area, Radovan Karadzic, president of the Serb republic [in Bosnia] said during a visit to Lopare and Ugljevik. He said "Tuzla is the main headquarters and stronghold of the 2d Corps of the Muslim army, from which the latest offensive on Serb Mount Majevica was launched."

Karadzic recalled that the objective of the Muslim offensive on Mt. Majevica was to capture the Stolice relay station. "Our soldiers, aware of the strategic importance of this relay station, are defending it heroically, and not allowing the enemy to come near it," Karadzic said. He then stressed that the Serb army "has all legitimate rights to respond and chase the enemy all the way to Tuzla and, if necessary, to push it back into Tuzla." He also drew parallels between the situation on Mt. Majevica and the situation in Bihac following the Muslim offensive from "that protected zone."

"So far we have been willing to allow Muslims some kind of draw in the war, which they obviously do not want," Karadzic said. He then added that "the Muslim army must be destroyed on Mt. Majevica, and then on other battlefields."

Karadzic said that "Tuzla is a Serb town and there are no reasons why we should give it up." He added that he is satisfied with morale in the Serb army, which is giving people faith in a final victory.

Commenting on yesterday's visit to Zvornik by Thorvald Stoltenberg and Lord Owen, the cochairmen of the conference on former Yugoslavia, Karadzic said that "this was more of a private than an official visit, but it was in any case important because any visit gives reasons for optimism."

Karadzic Urges 'Immediate Resumption' of Talks

AU2503143395 Paris AFP in English 1309 GMT 25 Mar 95

[FBIS Transcribed Text] Belgrade, March 25 (AFP)—Bosnian Serb leader Radovan Karadzic called on the Bosnian Government Saturday [25 March] to resume peace talks immediately, after a week of attacks by the Moslem-led government forces on Serb positions in northeast Bosnia.

The Bosnian Serb news agency SRNA quoted Karadzic as calling for "an immediate resumption of direct peace negotiations, the ending of all offensive operations, and the withdrawal of (Bosnian) forces to lines separating" the two sides before the December 24 ceasefire.

SRNA described his appeal as an "open message" and a "last appeal" to the Bosnian Government and international community in a report monitored here.

"In their most recent offensives, the Moslem side has engaged in a major war which will not be ended by the cease-fires the international community calls for each time the Moslems are threatened with defeat," Karadzic said.

He said the Serbs were prepared for "an immediate end to the war" but that if hostilities continued, they would press on to "a rapid and total victory against the enemy and defend their state (the self-proclaimed Serb republic) by all possible means."

Fierce fighting has been going on for a week in the Majevica mountain range in northeast Bosnia, where the mainly Moslem government forces have launched an offensive against Serb positions, according to the UN Protection Force.

The fighting has intensified despite a ceasefire scheduled to last until the end of next month.

On Friday Karadzic said he had made a new proposal to end the stalemate over the international "contact group" peace plan for Bosnia, but refused to disclose details. Karadzic told supporters in Bijeljina in northeastern Bosnia-Hercegovina that he had submitted the proposal to European Union negotiator David Owen and his UN counterpart Thorvald Stoltenberg at a meeting Thursday in Zvornik in eastern Bosnia-Herzegovina, the Yugoslav news agency BETA said.

The Bosnian Serbs overwhelmingly rejected the current contact group peace plan in a referendum last year, balking at their demand to scale down their share from 70 percent of Bosnia to 49 percent as required by the plan.

Karadzic Orders Resources Mobilized for Defense

LD2603182995 Belgrade SRNA in Serbo-Croatian 1758 GMT 26 Mar 95

[Item received by fax]

[FBIS Translated Text] Sarajevo, 26 Mar (SRNA)—Radovan Karadzic, president of the [Bosnian] Serb republic [RS] and supreme commander of the RS army, today ordered the army general staff, the government, and municipal leaderships to undertake measures aimed at the defense of the country.

A statement for the public, which was forwarded to SRNA via the RS bureau for press contacts, specifies that, in line with the law on the implementation of laws in case of imminent threat of war, these bodies and institutions are duty-bound to mobilize all human and material resources.

The order also instructs all RS state organizations to be in a state of readiness with the aim of crushing the enemy offensive against the RS and winning victory over the enemy.

Karadzic Asks World Leaders To Stop Offensive

LD2703091595 Belgrade TANJUG in English 0844 GMT 27 Mar 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, March 27 (TANJUG)—Bosnian Serb President Radovan Karadzic late on Sunday [26 March] asked world leaders to use their authority and stop the Muslim offensive on the Bosnian Serb state.

Karadzic sent the appeal in a letter to U.N. Secretary General Butrus Butrus Ghali, Presidents Bill Clinton of the United States, Boris Yeltsin of Russia, and Francois Mitterrand of France, and British Prime Minister John Major, the Bosnian Serb news agency SRNA said.

Karadzic asked the world leaders to secure that the Muslim forces withdraw to the lines held on Dec. 23, 1994, when the agreement on a ceasefire in civil war-torn Bosnia-Herzegovina was signed.

This agreement was followed by a four-month agreement on an end to hostilities which took effect on Jan. 1.

Muslims, however, violated the agreement and launched a general offensive on the Bosnian Serb republic last Monday.

Karadzic said it was especially disturbing that the resolution on allegedly safe areas was never implemented in practice. These very U.N. Protected Areas, six Muslim-held enclaves in Bosnia-Herzegovina, have become the strongest Muslim military strongholds, he said.

Bosnian Serbs will never accept a humiliating solution or defeat, even if they have to fight for years and years, Karadzic said in the letter.

Karadzic warned that if Muslims continued to push the war option, Serbs would be forced to defend themselves with all available means and see to it that their state is defended and recognized.

Banja Luka Radio Reports 'Fierce Action' 24 Mar

AU2703125795

[Editorial Report] Banja Luka Srpski Radio Network in Serbo-Croatian at 1800 GMT on 24 March carries in its regular 35-minute newscast several reports updating the fighting in "former Bosnia-Herzegovina."

Describing the situation on the Majevica front, the studio announcer cites a report from the Serb republic Army East-Bosnian Corps and says that "this morning, members of our army went into fierce action in an attempt to liberate certain elevations around the Stolice radio relay station" and that Serb soldiers liberated Velika Kosa and Suva Cesma, "inflicting heavy losses on the enemy, fully encircling some Muslim forces." He added that "most fierce fighting is raging between Banj Brdo and the Stolice relay station, where the Muslim forces are being pushed back by the unprecedented bravery of the Serb soldiers," who are "determined to liberate every inch of Serb land." The report also says that "in the direction of Piperi and Lukavica, combat activity by the Muslim 2d Corps has intensified and is accompanied by artillery support, but the Serb soldiers are resisting all those attacks."

The studio announcer says that "this is the fifth day of the fierce Muslim offensive on Vlasic front" and that "the Muslims are focusing their attacks on Babanovac and Galica Santic. Strong artillery preparations are accompanying the infantry attacks, and the response of Serb republic defenders has successfully repulsed the enemy attacks. The defense lines are becoming stable." The studio announcer then describes the humanitarian situation and says that "in the past couple of days, around 3,000 Serbs from Vlasic area have come to Knezevo Municipality" and that "a new wave of refugees is expected."

Describing the fighting on the Srbobran (Donji Vakuf) front, Borislav Djuric says that "the Muslims are using artillery to pound the Serb defense lines, trying to engage the Serb forces and divert attention from the Vlasic front. Yesterday and this morning, the Muslims fired mortars at Serb defense lines at Komar, Pogana Ravan, Kik, and Vis." The report also says that "Muslim guns" are being transported by "white vehicles from Turbete to Vlasic" and that "Serb artillery opened fire on the convoy." Citing Serb military sources, Djuric says that "all attacks on the Srbobran front have been repulsed" and that "the Muslims suffered losses."

Reporting on situation on the Doboj and Ozren-Vozuca front, correspondent Lidija Zaric says that "after 1400 [1300 GMT], Muslim units from Tesanj fired eight artillery shells on the town of Doboj and its vicinity." She says that "large-caliber mortars were also fired at 1640 and 1700 hours" but that no casualties have been reported although "considerable material damage was inflicted." The report also says that "Muslim units used strong small-arms and mortar fire against Serb defense lines on the Trebovo front and civilian targets on the southern part of the front," which provoked an "adequate response" by the Serb soldiers. Describing the situation on the Ozren-Vozuca front, she says that the most intensive combat activity originated "from the direction of Karuse, Matuzici, and Debelo Brdo" and that "the enemy used small-arms and antiaircraft machineguns to target Serb positions as well as residential areas on the right bank of the Bosna River," which provoked an "adequate response" by the Serb soldiers.

Gorazde Area Target of 'Fierce Shelling'

LD2503185195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 25 Mar 95

[FBIS Translated Text] The Gorazde area has been the target of fierce shelling by the aggressor today. Fahrudin Becic reports:

[Becic] Last year's spring is being reenacted in Gorazde. Today, the town was the target of heavy shelling. Howitzer and mortar shells fell on all parts of the town. Artilley shelling started at 1601 [1501 GMT], and scores of shells fell on the town in just 25 minutes.

There are no details about casualties. However, it is known that there are killed and wounded; 11 wounded civilians were taken to the Gorazde hospital casualty department in the first 30 minutes after the attack. Four are very seriously wounded. Two children are among the wounded. This, unfortunatelly, is not the final toll.

Today's shameless attack on the civilians in Gorazde, which was launched from the direction of Ustikolina, is a continuation of several days of shelling of civilian targets.

There is fresh material damage in the town. Chetniks were also active along the demarcation line, but they used only side arms and antiaircraft guns.

Muslims Shell Serb Towns Near Tuzla

LD2503182995 Belgrade SRNA in Serbo-Croatian 1800 GMT 25 Mar 95

[Received by fax]

[FBIS Translated Text] Bijeljina, 25 Mar (SRNA)—Muslim artillery fired several shells on Lopare and Priboj this afternoon, after which a general alert was sounded in these towns at the foot of Mt. Majevica, the press center of the Eastern-Bosnian Corps reported.

Members of the Serb republic army [VRS] were forced to respond by attacking locations from which the attack was launched, military sources in Bijeljina confirmed to a SRNA journalist, adding that there was still no information on the consequences of the Muslim artillery attack.

Heavy clashes continued on Mt. Majevica this afternoon. The strongest Muslim attacks were reported along the Banj Brdo-Stolice transmitter front line, and toward the Serb positions in Mala Jelica. Serb fighters are successfully resisting all attacks, inflicting heavy losses in manpower on the enemy.

Early this morning VRS fighters halted the attack that Izetbegovic's units launched on Tomanica Kose and Spasovina last night.

Bosnia Serbs Claim Victory on Vlasic Front

LD2703132895 Belgrade SRNA in Serbo-Croatian 1250 GMT 27 Mar 95

[Received via fax]

[FBIS Translated Text] Banja Luka, 27 March (SRNA)—Having repulsed yesterday's Muslim offensive in Vlasic, units of the Serb republic army today launched a heavy counterattack in a series of rapid maneuvers, inflicting huge losses in personnel and combat equipment on the enemy.

The information service of the 1st Corps of the Serb republic reports that the penetration of the Serb forces began on Mt. Galica, thus creating preconditions for totally crushing parts of the 7th and the 3d Corps of the Muslim army in this region of the Vlasic battlefield.

The same source reports that a large number of collapsed groups of the Muslim army are isolated and encircled on the snow-covered mountain.

Muslim Soldiers Defect From Zepa, Srebrenica

95BA0192A Belgrade VECERNJE NOVOSTI in Serbo-Croatian 24 Feb 95 p 5

[Article by Radoje Andric: "Breakthrough—To Life"]

[FBIS Translated Text] "If the Serbs opened the FRY [Federal Republic of Yugoslavia] border, and the international forces provided a corridor from the Drina to Zepa and Skelani, then all the Muslims would head for Yugoslavia," said Amir Tihic (age 30), one of 36 Muslims who fled from "Alija's Bosnia." "If that corridor were authentic, the people would go against Naser Oric and his people and abandon everything."

This, Tihic said, is the only real solution for his fellow countrymen, who number about 10,000 in Zepa and about 40,000 in Srebrenica. Most are refugees from Visegrad, Rogatica, Skelani, Bratunac, Zvornik, Vlasenica.... Before the war, Srebrenica had a population of 7,000, so that you can just imagine what it is like today in a town where the number of inhabitants has quintupled overnight. Those who come from there describe this very tersely: general misery! But also general fear of Naser Oric, commander of the 8th Operational Group of Alija's Army, and Srebrenica, and also of Avdo Palic, commander in chief in Zepa.

"People live on humanitarian aid advanced by the UNPROFOR [UN Protection Forces]," said Nedzad Nukic (age 26), a Gypsy from Srebrenica. "But humanitarian aid is rarely distributed to the people, especially to the refugees. Everything has to be paid for!"

Rings of Mines

An amazingly "lively" payments traffic is taking place between Zepa and Srebrenica involving a few goods and food, which is always scarce: We are talking about smuggling. "Zepa inhabitants buy everything from the Ukrainian battalion for sale to our smugglers from Srebrenica, and they resell to the refugees at double the price," Nukic, who himself engaged in smuggling, said in an effort to explain the "trade."

"There is no other way to survive there," said Velid Jasarevic (age 23), a refugee from Bratunac who had accommodations in the village of Potocari near Srebrenica. "I went to Zepa three times and brought back about 20 kg of flour, detergent, and dried beans. My father, mother, and brother stayed there. My parents did not know that I was setting off," Jasarevic said, and when asked what would happen to his family when his flight was learned of, he shrugged his shoulders.

Silence is anyway the most frequent "answer" among the refugees now settled in the FRY. They are surprised by the silence because they have not heard it for a long time.

"I have come from a city that has rejected civilization," said Mehmedalija Omerovic (age 33), who reached Serbia from Zepa. He says that he was an active fighting man in the Zepa Brigade for six months. "The people from Zepa are not going anywhere! Even before the war, they lived in an isolation that they imposed on themselves, but that kind of life did not suit us refugees from Visegrad, Rogatica, and Vlasina at all. But there was nowhere to go. Not because we were surrounded by Karadzic's Serbs, but because the city was surrounded by minefields laid by the Muslims," Omerovic said.

The Muslims laid the mines to prevent the Serbs from approaching Zepa and Srebrenica, but also to prevent their fellow countrymen from leaving.

"We would have gone to Tuzla," said Fetaheta Alikrunic (age 38), who was born in Bratunac and fled to Srebrenica with her daughter so that they could reach the FRY together. "But people are victims of the mines and even more of the looters."

Her daughter, Hajreta (age 18), said that in Srebrenica she and the other girls could only have gone mad.

"I am most afraid because of her, and that is why we took such a risk," Fetaheta related. "They are doing everything to young girls in Srebrenica. It is hard for the women there anyway. If you get pregnant, there is no doctor, and so they do abortions on one another. Children are born with other women assisting. I was afraid that one day someone from the army would take my daughter. They do that. A mock marriage and afterward they bring the girl back again. She is no longer a girl, but a woman," Fetaheta testified.

Soon—War

"All of that and many worse things are tolerated and even encouraged by the Srebrenica leadership," remarks Mevludin Jasarevic (age 25), who comes from Vlasenica. "Oric and another five or six people have concentrated all the authority in their own hands. They distribute the aid that arrives first to themselves and their people, and often nothing is left for the others."

It is said of Oric that he intends to establish a bank in Srebrenica that would get all the money relatives send to their people through UNPROFOR. There is open doubt about his honest intentions.

"There are stories going around that the government in Sarajevo sent 100,000 German marks to the families of soldiers killed in Srebrenica," said Sulejman Macanovic (age 25) of Bratunac. "No one received that money."

This is confirmed by Amir Tihic, born in Bajina Basta, later a resident of Skelani, and a refugee in Srebrenica. "We had all had enough of Oric, but he never has enough...."

Ever since "Srebrenica was demilitarized," Oric's people have been "waging war" against their own people, and soon it seems they intend to undertake authentic military operations against the Serbs.

"A population census and mobilization are taking place," said Nedzad Nukic. "All men under age 45 are subject to military service and are given war orders, but the older ones are assigned to civil defense." Anyone who refuses goes to jail. Nukic, he says, was taken into custody for three days, because he refused to go on guard. Soldiers who left their position and headed for Tuzla spent two months in prison. They were apprehended and returned to Srebrenica.

"They would kill us all if we were sent back to Alija," said all our informants, less as an observation and more as a plea that nothing like that happen.

[Box, p 5]

Another 20 Who Fled

"Aside from the 36 of us in Uzice, I know of another 20 Muslims from Srebrenica and Zepa who crossed the border of the FRY," said Amir Tihic. It is assumed that they managed to reach the interior. This was recently confirmed in Cacak, where a taxi driver from Uzice turned in two deserters to the police. It is also said that three illegals reached Kraljevo, but that report has not been officially confirmed.

[Box, p 5]

"Bad Soldiers"

From what they told newsmen and inspectors of the MUP [Ministry of Internal Affairs] in Uzice, the Muslims who fled were every one of them bad soldiers! "I was no soldier at all," "boasts" Nedzad Nukic. "I was a bad warrior," said Amir Tihic. Macanovic was supposedly distributing food, Omerovic was a miller, and then a soldier for six months. Mevludin Jasarevic only "kept watch"... another one was a translator because he knew French.... According to them, the Muslims are waging war against the Serbs in the former Bosnia, all of them cowards, pacifists, and they fight battles keeping watch, making bread, and distributing food.... None of them has ever been on position, none has seen Serbs who were killed, none of them has seen Serbian houses looted and torched.

[Box, p 5]

Serbs

"I know of 10 or so Serbs in Srebrenica," said Velid Jasarevic. "One old Serbian woman is escorted by the civilian police when she walks through the town. I have seen her."

Armed Forces Law Passed; U.S. System Emulated

LD2503201695 Zagreb HTV Television in Serbo-Croatian 1830 GMT 25 Mar 95

[FBIS Translated Excerpt] When Croatia joins the Partnership for Peace, Croatian soldiers will be able to present their Army in the best possible light. A law on the Armed Forces, which took two years to prepare, has just been adopted in the Assembly amid loud applause, in a rarely seen atmosphere of cooperation between the majority and opposition parties.

[Begin recording] [Assembly Deputy Mihanovic] The law was adopted by the majority of deputies, with only three abstentions. [applause]

[Defense Minister Gojko Susak] During our visit to America we received guarantees from both President Clinton and Vice President Al Gore on joining the Partnership for Peace. With this law, we will be entering the Partnership for Peace without any changes needing to be done, because the law was coordinated to match all standards, those needed for both the Partnership for Peace and NATO. [end recording]

Minister Susak did not hide his satisfaction with a job well done. [passage omitted]

Two important principles have been adopted from the United States: First, the president of the Republic, in his capacity of supreme commander will be known as commander in chief. He will decide on the Army structure in times of peace and war and on the rank structure. Second, he will adopt a U.S. system of promotions that allows a fixed deadline for promotions to be shortened depending on an annual appraisal system. Every year Army members will be appraised and their Army service will be terminated if they fail to get a satisfactory mark.

The Croatian Army will be a depoliticized organization, in which there will be no party or trade union organizations. No member will be allowed to carry out any private jobs. Members of the guard brigade can retire after 20 years of service, and all others after 35 years of service and 55 years of age.

As for the ranks, an international formula has been adopted, which means that the biggest changes have been made to higher ranks and ranks of general. Apart from the ranks of major, colonel, and brigadier a rank of staff brigadier is being introduced, as is its naval counterpart commodore. As far as ranks of general are concerned, a higher rank than corps general will be introduced: staff general and its naval counterpart staff admiral, which can only be gained in war.

Armed Forces Day will be observed 28 May, in memory of the day—28 May 1991—when President Tudjman inspected the National Guards' Corps.

An important novelty is the introduction of honorable and dishonorable discharges, which, together with the professionalization already carried out in the Army, will result in a high degree of responsibility. In addition to individualism, a feature taken over from the patriotic war, this is a precondition for the structure of any efficient and modern military organization.

Army Denies Firing on UNPROFOR Officers

LD2303203595 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 23 Mar 95

[FBIS Translated Text] Violations of the Zagreb Agreement in the southern region and UNPROFOR [UN Protection Force] accusations against the Croatian Army were the main topics of a news conference held in Zadar by Lieutenant Mario Tomasovic, the deputy commander of the Split Military District. Here is Toni Pajkin:

[Pajkin] The Croatian Army expresses regret at the wounding of a UN member, but the Croatian Army did not open fire, Tomasovic said and then went on to add:

[Begin recording] According to the UNPROFOR report, the Croatian Army opened fire, and I must officially deny that as being untrue.

Fire was opened from an area controlled by the Croatian Defense Council [HVO], which is not under the control [pod kontrolom] of this military district.

The officers came most probably at the request of the Serb side, and bearing in mind the enemy's defeat, who at the time were being chased by HVO forces, they asked the UNPROFOR to come to Budim.

According to our reports, enemy soldiers were heading for Budim hill at the same time as this group of UNPROFOR officers were heading there.

Our scouts, the Croatian Army scouts, reported that most likely due to the fact that enemy soldiers, who were with the UNPROFOR officers, appeared on the scene, several warning shots were fired because this is a demarcation line.

The Croatian Army was completely inactive, so it did not fire a single bullet in the direction of the demarcation line. [end recording] [passage omitted]

Talks With Bosnian Government To Continue

AU2403171295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 24 Mar 95

[FBIS Translated Excerpt] The talks between the delegations of the Government of the Republic and Federation of Bosnia-Herzegovina and the Government of the Republic of Croatia are going to resume in the Presidential Palace in Zagreb today. Several agreements are planned to be signed on the basis of the implementation of the Washington agreements. Here is a report from Zagreb by Nada al-Isa:

[Al-Isa] As we already reported, the talks opened yesterday. They should have concluded this morning when agreements should have been signed on mutual relations, including the one on abolishing visas and on the return of refugees. However, everything has been adjourned for this afternoon, (?but) there are no official statements in that regard.

Croatian Prime Minister Valentic made gave a brief statement to correspondents:

[Valentic] For two days, we have been discussing very serious topics from the sphere of economic relations that partly involve political relations, so we decided to continue the talks in the afternoon.

[Al-Isa] However, we have learned unofficially that the talks got stuck on the issue of the abolishment of visas and the return of refugees. The unofficial explanation by the Croatian government representatives, for instance on why the Republic of Croatian rarely issues transit visas to the citizens of the Republic of Bosnia-Herzegovina, is as follows: Croatia will issue transit visas only to those citizens of Bosnia-Herzegovina who can go back to their house or flat and not to any free part of the Republic of Bosnia-Herzegovina. The Croatian Government spokesman claims that this is in conformity with international regulations. [passage omitted]

Tudjman Discusses Crisis With German Delegation

LD2403153395 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 24 Mar 95

[FBIS Translated Text] Croatian President Franjo Tudjman received a delegation of the foreign policy committee of the German parliament, led by committee chairman Karl-Heinz Hornhues; Horst Weisel, German ambassador in Zagreb; committee members Heinrich Lummer, Robert Eintreter, Jelena Hofmann, Gert Poppe, Karl-Heinz Lemmrich; as well as Zarko Domljan, Croatian Assembly President and chairman of its foreign-political committee; committee vice chairman Bozidar Petrac; and presidential advisers Zeljko Matic, Smiljko Sokol, and Djordje Pribicevic were present on the occasion.

The talks focused on the causes of the crisis in former Yugoslavia and on the efforts of Croatia and the international community aimed at its peaceful settlement. President Tudjman spoke of Croatia's decision to terminate UNPROFOR's [UN Protection Force] mandate, saying it accelerated a peaceful solution to Croatia's temporarily occupied areas and their peaceful reintegration in the constitutional and legal system of Croatia.

The president also spoke about the implementation of the 2 December 1994 agreement, i.e. the Zagreb-Lipovac motorway, the Adriatic oil pipeline, the Zagreb-Belgrade railway, and the Zagreb-Knin-Split road and railway.

The president stressed that Croatia was advocating a peaceful settlement and a recognition of Croatia by the Federal Republic of Yugoslavia. In this connection Croatia is seeking the support of Germany and the international community, as well as support for the implementation of the Bosnia-Herzegovina Federation and its confederation with Croatia.

The president laid emphasis on the ties between Croatia and Germany, mentioning in particular a large number of Croatian citizens living and working in Germany.

The president drew attention to the importance of friendship with Croatia, expressing Croatia's gratitude for Germany's help in connection with the international recognition of Croatia.

Article Considers Tudjman's Tactics, Strategy

AU2703085095 Rijeka NOVI LIST in Serbo-Croatian 19 Mar 95 p 2

[Article by Jelena Lovric: "The Revenge of the Lightly Made Promises"]

[FBIS Translated Text] It seems that one of the important conditions for Croatia's accepting the extension of the blue helmets' mandate was that the Croatian president be received by his U.S. colleague Bill Clinton. At least that is what INTERNATIONAL HERALD TRIBUNE says. I quote: "Tudjman has been aggressively urging the visit for a long time now." It is an unusual and unambiguous formulation that is rarely used in the media, and especially in diplomacy. Tudjman was granted the reception, but he was received in the White House as part of the package—together with everybody else who attended the marking of the anniversary of the signing of the Washington Agreements.

Though it may still be too early to determine what it is that each got, and what they lost with the Copenhagen agreement, there are certain things that can be added up. There are certain discernible things, though it seems that this is a case of dazed staggering, in which no one knows what is wanted and what is possible, what has been achieved and what the aspirations are. A great part of the Croatian public was truly shocked to discover that Tudjman was not serious about canceling the UNPROFOR [UN protection forces] mandate, but that was to be expected. The decision may have been serious in the beginning, but only while Milosevic's support was counted on, while there were constant claims that he is just about to recognize Croatia, and that Granic had already made an appointment to rush off to Belgrade and collect the decision already placed in an envelope. There were certain signals from that side at the time, but the question is how it was possible to believe that when even the biggest sucker was able to realize a long time ago that the only person Milosevic may not have cheated was his legal wedded Mirjana Markovic. There were intensive contacts between Zagreb and Belgrade, but the messages coming from the east could have been the way to lure Croatia into war, or at least into taking a sharper stand toward the international community, which would benefit Milosevic the most.

President's Good Bluff

When it turned out that nothing would come of Milosevic's promises, Tudjman tried to procure a NATO engagement. Although, making the situation more strained, he bluffed really well—so well that Croatians believed him again—the president of Croatia did not manage to make the international community wage a war for him or snatch chestnuts out of the fire for him. Now even the spokesmen of the authorities admit that war was calculated into the canceling of the UNPROFOR mandate, but, as opposed to minister Susak and various war-mongerers, who keep shouting that the Croatian Army is ready to get back the Krajina before you can blink an eye, the informed claim that deep in his heart Tudjman is aware of the real balance of powers, and he is aware that, even when he plays on the cutting edge of war, he does not really want to slip into a new round of conflicts. That is why, at the session of the Council of Defense and National Security, he so sharply interrupted those who had their itchy fingers on triggers. In the situation in which the choice boiled down to either war or another international arrangement, the Croatian president had to budge. Anything else would have meant banging one's head against the wall.

It is becoming possible to put together the appearance of what Croatia will get, which in fact implies a new mode of presence of the international community. There will be no more UNPA's [UN protected areas]—the top authorities pretentiously claim, first Tudjman, and then his seconds, adding that there will be no more separation zones either. However, once you unearth what is in store for Croatia, it becomes clear that those who say that if there are no UNPA's there is no Krajina either are much more correct. The new mandate legalizes it in several ways, as a state within a state, thus probably paving the way for what is to follow.

Serb Rule Without Limits

It is certain that the peace forces will be deployed at the separation line; this is the main thing the international community insisted on. Only a buffer of peace forces between the Croatian and Serb forces can prevent slide-off into war. Since the number of the new old UN forces will be the largest at the separation lines, this can be a step further in the Cyprization of Croatia, especially if one bears in mind that the former UNPA's should to a great extent be free from the blue helmets. It is unclear why Croatia considers this to be suitable, since it means that Serbs will rule these areas without any limits; there will be nothing to limit them any more. High diplomatic representatives of Croatia are now openly admitting that the illusions about the disarming of the Serb forces should be dispelled. The explanation should perhaps be sought in the postponed armed return to the Krajina. Making these areas free of the blue helmets could imply a military solution in a few months. Namely, in an interview to STERN Susak stated that the UNPROFOR presence was the main reason Croatia did not take the military way to Knin—hundreds of blue helmets would have been wounded or killed in the fighting, for which the international community would not forgive Croatia.

However, the most ambiguous and the most delicate thing is the deployment of the peace forces at the borders of Croatia. How many will there be, at which points, what will their task be, and what will their authority include? Can the Croatian borders really be closed this way, and crossings between the Serbs in Croatia and those in Bosnia-Herzegovina prevented? If the intention is serious control [nadgledanje] of the borders, the Serbs will not agree. If the Serbs agree, then the control [kontrola] will be more or less symbolic. Miomir Zuzul—whose great efforts to make Croatian politics persuasive must be acknowledged—says that, "naturally, this is not an issue of complete physical control [nadzor] of the Croatian borders, to be honest. We neither asked for it, nor do we believe that such control [kontrola] can be established."

Giving Up on Herceg-Bosna

Although it has never been brought up, the solution for Bosnia-Herzegovina is a constituent part of this package, which Croatia has been unwrapping with displeasure. Due to a kind of double game in the area, Croatian politics was again exposed to strong pressures, and it was at this end that it finally started to give in. The new arrangement for Croatia with the international community was preceded by redefining the Croatian position concerning Bosnia-Herzegovina.

In that sense the document signed in Bonn the other day by the federal officials Zubak and Ganic at the two-day meeting held behind closed doors is important. Germany has in a way taken over the patronage of the Federation, and, just before the celebration in Washington, it procured the agreement with which Croatia in fact gives up on Herceg-Bosna. This self-proclaimed state was not expressly mentioned this time either—a year ago, in the Washington Agreement, it hid under the so-called existing arrangements, and now there is talk about "HVO-controlled territory." Indeed, a year ago it was also clearly determined how the Federation bodies were to take over its authorizations, but now very strict deadlines to implement this have been set. The Federation president said, immediately after he returned from Bonn, that the deadlines were too soon, but Zagreb believes that "in this case it is good that strict deadlines were insisted upon." The Herzegovina leaders showed they would not accept that, and threatened to cancel all the relations with the Muslims precisely during the time of the Washington celebration.

A Message of Dissatisfaction

Zagreb will have to employ all its influence, says German ambassador Horst Weisel, pointing out that in the Croat political leadership in Bosnia-Herzegovina there is resistance to the Federation. The message is clear—Zagreb is responsible for what is going on in Herzegovina, and there will be no indulgence there. However, it is increasingly difficult for Tudjman to control the situation there, and there have been signs that messages of dissatisfaction with what goes on in Croatia are being sent to him in a roundabout way, through Grude. There he is sabotaged—for instance, there have been demonstrations declaring Boban honorary president of Herceg-Bosna, which could not have passed without the blessing of certain circles in Zagreb. Those who are dissatisfied, and now even bitter about his change and the new arrangements with the international community have been trying to trip him up. Tudjman is having an increasingly hard time dealing with the resistance in his own party—its dominant disposition is in direct disproportion with what he arranged in Copenhagen—and he needs increasingly strong instruments for it. It will take him a lot of skill and power to keep his own party under control. It is not impossible that those who have lately been supporting that the president be given more authority—among other things, through the law on the Office for National Security—soon feel the authority squeezing them.

Tudjman produced part of the dissatisfaction himself, by forcing promises that cannot be fulfilled. He promised a lot, but he succeeded in fulfilling the promises to a much lesser degree. He covered for the gap between the promises and what he could fulfill with triumphalism, which is a short-run policy. He has been doing worse and worse in the alchemy of turning the cruel reality into some kind of victory. Objectively, Croatia is in a very difficult situation, which is not becoming easier by the fact that it is being denied. Tudjman has become a prisoner of his immoderate, pompous promises, and they are now backfiring on him, and heavily.

RSK Official Comments on UNPROFOR Issue

LD2603183895 Belgrade TANJUG in English 1814 GMT 26 Mar 95

[FBIS Transcribed Text] Belgrade, March 26 (TANJUG)—The republic of Serb Krajina accepts that the United Nation peacekeepers stay in the region under their current mandate, Serb Krajina parliament speaker Rajko Lezajic said on Sunday.

The Serb Krajina insists on implementation of the Vance plan, Lezajic said in an interview with a local radio station in the Serbian city of Kragujevac.

The Vance plan was in 1992 endorsed by officials of the republic of Serb Krajina, Croatia and the former Yugoslavia.

Croatia has consented to UNPROFOR's remaining in the region beyond March 31 on condition that its current mandate be changed.

Under the Vance plan, UNPROFOR is to stay in the territory of the Serb Krajina and Croatia until the two sides have reached a political settlement to their conflict. The United Nations protected area (UNPA) for the most part coincides with the territory of the republic of Serb Krajina, a state proclaimed in 1991 in Serb ethnic and historical territories within the administrative borders of the former Yugoslav republic of Croatia after Croatia's violent secession from the former Yugoslavia.

Despite the fact that the Serb Krajina territory is under U.N. protection, Croatia has so far carried out four military offensives on it.

Lezajic said the republic of Serb Krajina wanted all issues under dispute to be settled peacefully, and therefore insisted on completing the two sides' economic talks and on subsequent opening of political negotiations.

If UNPROFOR's mandate remained unchanged, the republic of Serb Krajina would be prepared to immediately resume with Zagreb parallel talks on economic and political issues, Lezajic said.

He said co-chairmen of the international conference on the former Yugoslavia Lord David Owen and Thorvald Stoltenberg had been informed about Krajina's stand.

On Thursday, the two mediators met with Serb Krajina Prime Minister Borislav Mikelic to discuss UNPROFOR's further activities.

By the end of next week, the U.N. Security Council is expected to adopt three separate resolutions giving new mandate to the U.N. troops in the territory of the former Yugoslavia, i.e. in the former Yugoslav republics of Croatia, Bosnia-Herzegovina and Macedonia.

DPA Says Zagreb Buying Argentine Arms

LD2603174995 Belgrade TANJUG in English 1738 GMT 26 Mar 95

[FBIS Transcribed Text] Bonn, March 26 (TANJUG)—Croatia is busily buying arms in Argentina despite a U.N. arms ban, the Buenos Aires correspondent for the German news agency wrote on Sunday.

The purchase is in no way affected by the fact that Argentina has 800 troops serving on the U.N. Protection Force in Croatia, the Deutsche Presse Agentur DPA said.

Last year alone, Argentina sold Croatia 25,000 automatic rifles, grenades, mines and munitions, falsely declaring the shipment as destined for Panama.

The deal was handled by the Argentinian Defense Ministry under the code-name of Operation Panama.

Somewhat earlier, the Foreign Ministry had managed at the eleventh hour to prevent an arms shipment allegedly for Liberia. That shipment, too, was meant for Croatia, the DPA said.

Defense Minister Meets EU Mostar Administrator

LD2603132595 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 26 Mar 95

[FBIS Translated Excerpt] Croatian Defense Minister Gojko Susak met Hans Koschnick, EU administrator of

Mostar, this morning. After the talks, Koschnick said the meeting had been agreed in Washington during the recent celebration of the first anniversary of the Washington agreement. In his words, the meeting was very fruitful, attention was focused on the future of Mostar and of the Bosnia-Herzegovina Federation, as well as on Croatia's positive approach to the federation. On this occasion Koschnick said he was returning to Mostar with (?deep) impressions after the talks today.

Minister Susak said he and Koschnick also discussed the police organization in Mostar in accordance with the agreement between Koschnick, Mayor of western Mostar Mijo Brajkovic—who took part in the talks, among others—and Mayor of eastern Mostar Safet Orucevic. Susak said the first phase in the police organization could already start and was satisfied with the progress. [passage omitted]

Knin, Zagreb Lack Commonality on UNPROFOR

AU2403215795 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 22 Mar 95

[FBIS Translated Text] Knin and Zagreb still have not found a sufficient common ground to agree on the future mandate and name of UNPROFOR [UN Protection Force] in the protected zones of Serb Krajina, claim circles close to President Martic's cabinet.

According to those circles, the only step forward in the past couple of days in the negotiations between the representatives of the RSK and Croatia was made by Thorvald Stoltenberg, cochairman of the Conference on the Former Yugoslavia, as both sides agreed to observe the cease-fire agreement and continue the talks on economic questions.

Istria, Veneto Sign Cooperation Agreement

95BA0196G Split SLOBODNA DALMACIJA in Serbo-Croatian 2 Mar 95 p 3

[Article by I. Celevska: "An Association of the Upper Adriatic in the Offing"]

[FBIS Translated Text] Rijeka—Aldo Bottin, president of the Italian region Veneto, and Luciano Delbianco, zupan of Istria Zupanija, last weekend signed in Venice an agreement on cooperation between the two regions, and that same act will be repeated in mid-March in Istria. The agreement envisages encouragement of economic development and promotion of financial cooperation on the basis of a special regional law of Veneto to take advantage of the cultural legacy of Venetian origin in Istria and Dalmatia. An amount of about 500,000 German marks [DM] was envisaged for reconstruction and repair of historical monuments and to encourage study of the Italian language and publishing.

According to Damir Kajin, president of the Assembly of Istria Zupanija, this is not the only form of cooperation between Istria and Veneto, because a plan is already being slowly carried out under which Veneto would appropriate 1.5 billion lire to promote economic cooperation. It is anticipated that that money will be spent in improving industrial activities of common interest to the two regions, but preference will be given to small and medium-size enterprises such as small shipyards, mariculture, agriculture, and tourism. There was some hesitation concerning this agreement because of the undefined position of the Finance Ministry, but Kajin said that relations of this kind between regions have been regulated in the Charter of Istria Zupanija. After the charter passed the third thorough examination in the Constitutional Court, and those provisions were not disputed, they say in the zupanija that there are no longer obstacles to carrying out the agreement. The Veneto representatives offered the same opportunity to Primorsko-Goranska Zupanija, but there has been no response from the zupanija after several months, although there was indication of great interest in the Italian proposal in the first conversation.

In Istria Zupanija, they are also planning better linkage with the region Friuli-Venezia-Giulia, and thought is being given to the project of the upper Adriatic (Alto Adriatico) as a European region that, in addition to Istria, Veneto, and the region Friuli-Venezia-Giulia, would also include Kvarner. The initiative would serve to obtain financial support of the European Union for various activities, especially tourism and education.

If that interregional cooperation is brought about and cooperation with Tuscany and Austrian and German regions is improved, Istria could assume most seriously that it would obtain some of the funds under the PHARE [Reconstruction Aid for Poland and Hungary] program even if this is not applied to all of Croatia.

Armed Forces Strengthened by Augmenting Artillery

95BA0196H Split SLOBODNA DALMACIJA in Serbo-Croatian 7 Mar 95 p 9

[Article by Mladen Jurasek: "The Vulkan Stronger Than the Oganj"]

[FBIS Translated Text] Artillery is the ruler of the battlefield, especially in battles where the line of battle is clearly defined and the targets are known in advance. This fact was proven in both World War I and II as well as in a large number of wars since 1945. It was also proven in the Homeland War during 1991. Dense artillery fire from the Serbian forces, which could not be answered in kind, was most frequently the reason the Croatian defense was broken, especially after very large losses of the Serbian Air Force. Having learned from this experience, from 1992 to the present the Croatian Army [HV] has devoted particular attention to strengthening that particular segment of the ground forces. Thus, today the Croatian Army possesses guns with calibers between 60 and 203. We will mention here only those that are most important because of their numbers and qualitative characteristics.

Compelled because of the international embargo on the importation of weapons to initiate its own military production to strengthen its defensive capability, Croatia began to produce artillery weapons. The decision was made to produce those weapons that were best known, and that meant weapons in the arsenal of the former "JNA [Yugoslav People's Army]." For that matter, a large number of diverse weapons captured during the war also belonged to that arsenal. Even the most powerful weapon belonged to that arsenal: the 203-mm M-115 howitzer. The U.S. Army used this large and powerful weapon during World War II. The 203-mm howitzers being used by the Croatian Army can fire a high-explosive shell weighing 92.53 kg a distance of 16,800 meters. Although they have a relatively low firing speed of one round per minute, so far these howitzers have always had the effect of causing chaos in Serbian defensive formations.

Udbina Also Under Attack

The second most important artillery weapon of the Croatian Army is the D-3OJ howitzer, which the former Yugoslavia produced itself under a Russian license. The most important feature of this howitzer is its star-shaped mount, which allows it to operate through 360 degrees. The D-3OJ is capable of firing between six and eight rounds per minute against Serbian positions 17,300 meters away.

The Croatian Army also possesses a large number of T-12 100-mm antitank guns. Because modern guided missiles are increasingly taking over antiarmor combat, the HV will be using these guns more and more frequently to provide fire support. Equipped with sights for direct firing on targets, these guns are ideal for destruction of dot-size targets such as bunkers, fortified houses, and similar structures. These targets can be destroyed with T-12 guns at distances up to nearly 6,000 meters. If used for indirect firing, this cannon can fire a high-explosive grenade over a range of 8,200 meters. The big advantage of this gun is its good rate of fire, because it can briefly fire even as many as 14 rounds per minute. After a time, the rate of fire must be reduced to eight rounds per minute in order to prevent damage to the gun because the barrel overheats. Thus, a battery of six of these guns can fire no fewer than 84 rounds during the first minute of action. More than enough to cause initial confusion in a surprised enemy.

To fire on targets at long ranges, the Croatian Army also has the 130-mm M-46 guns. This is an excellent gun with a barrel 7.6 meters long, firing a shell that weighs about 30 kg over a range of no fewer than 27,150 meters. For that reason, the M-46 has no real substitute in firing on targets deep in the Serbian rear. That would include positions of enemy artillery, command posts, ammunition dumps and fuel depots, important transportation junctions, and even bridges. The most interesting target for these guns is certainly the Serbian airport at Udbina. With a rate of fire of six rounds per minute, 10 of these guns would completely block the airfield.

The arsenal of the Croatian Army also includes the 155- and 152-mm cannon-howitzers, also captured from the former JNA. Along with everything mentioned so far, the Croatian Army also uses a very large number of 120-mm mortars, which have been manufactured successfully for a long time now. Up to now, the Serbian side has asserted several times that Croatia was acquiring 240-mm mortars. This has so far not been officially confirmed, but it would be exceedingly good if it were accurate. That is, those mortars bearing the Russian designation M-240 hurl a shell weighing more than 130 kg a distance of 9,700 meters. Because of the weight of the shell and the special way its charge is packed, the mortar fires one shell per minute. But that one shell can completely destroy almost any target.

Lower Caliber—Greater Power

The former Yugoslavia had an especially developed production of multiple-rocket launchers [VBR]. The oldest and most widespread product was the Plamen, with 32 128-mm barrels. On the basis of this VBR, Croatia developed its own M-91 VLR [expansion unknown; probably Croatian for VBR] with the same caliber, but with 12 barrels. In this way, a compact weapon is obtained that is much easier to manipulate. Because the M-91, just like the Plamen, is mounted on a carriage, it is much simpler to move the gun over the battlefield, and the final result is that fire is opened more rapidly. The maximum range of the 128-mm rocket fired from the Plamen is 8,500 meters. Because the M-91 uses the same rocket, its range is certainly similar.

Yugoslavia's other product was the Oganj VBR, which used a rocket 2.6 meters long. Thus, with the same diameter of 128 mm, the range of the new rocket increased to 20,600 meters. The configuration of the gun with 32 barrels was retained. The most important feature of the Oganj is the automatic loader, which makes it possible to reload the rocket launcher in just two minutes. Although this system has been produced since the 1970's, even toward the end of the war year 1991 the "JNA" had a shortage of rockets, and for that reason gradually reduced the intensity of their operation. Quite a number of these VBR's were also captured by the Croatian Army. It also had a shortage of rockets for the Oganj, and the decision was made to convert the entire system to 122 mm, which is standard for the HV. The new system has also been given a new name—the Vulkan—and, in addition to the new caliber, it has 40 instead of the earlier 32 barrels. Along with this system, the Croatian Army also uses the Grad, which has 40 122-mm barrels mounted on a truck. These systems can use several types of rockets. The rocket, which has a range of 20,380 meters, which is the maximum range for this system, is 3.2 meters long. In all, it weighs 77.5 kg, with the warhead accounting for 19.4 kg of that. The minimum range of the system is 1,500 meters for indirect fire and 500 meters for direct targeting. About 20 seconds are needed to fire all 40 rockets. At maximum range, the Grad covers an area of 210,000 square meters.

Like a Samba of Fire

The May 1993 issue of JANE'S INTELLIGENCE REVIEW, the British professional military journal, mentions the possibility that the Croatian Army has managed to obtain a certain number of Astros II's, Brazilian VBR's. That would greatly increase the HV's ability to operate against targets deep in the Serbian rear. The Astros II system is produced by the Brazilian firm Avibras Industria Aerospacial. It is distinguished by its ability to fire several different rockets from the same launcher. The only change is the launcher-containers containing the rockets. The SS-30 rocket has a diameter of 127 mm. It is 3.9 meters long and weighs 63 kg and has a conventional high-explosive warhead. The maximum range of the SS-30 is 30 km. Each launcher has 32 rockets in four containers. The somewhat larger rocket with the designation SS-40 has a diameter of 180 mm. It weighs 152 kg and is 4.2 meters long. The maximum range of this rocket is 35 km. This rocket's warhead consists of 20 little bomblets intended for destroying infantry and armored vehicles. The Astros II can launch as many as 16 SS-40 rockets. The largest rocket in this system is the SS-60, which has a diameter of 300 mm. The rocket weighs 595 kg and is 5.6 meters long. The maximum range of the rocket is very long, all of 60 km. The SS-60 will carry 65 bomblets over that distance, which have the same purpose as in the SS-40. Every Astros II can launch up to four of these very powerful and effective rockets.

During the visit of the president of the republic to Djuro Djakovic last year, a new VBR of the Croatian Army was demonstrated, but no data have been published about it. On the basis of a picture shown on Croatian Television, we can estimate that this is a small-caliber VBR, probably 70 mm, with a total of 40 barrels. If that assessment is correct, this VBR has a maximum range of about 750 meters. The rocket's small diameter does not give it a high destructive power, and this weapon is intended for combat against enemy infantry outside shelters or against unarmored vehicles (trucks, off-road vehicles, and the like).

Along with everything we have enumerated, the Croatian Army is also producing smaller VBR's such as the RAK-4, which has a caliber of 60 mm, which is light enough so that it can be carried and used by commando units in the enemy's rear. Regardless of the diameter of the rocket used, a feature of any VBR is the high density of fire in a short time. This offsets the relative inaccuracy of this type of weapon. That is why they are most effective for the very beginning of a surprise artillery strike, which afterward will be continued with the heavy weapons—cannon, howitzers, and mortars.

Having realized the great importance of artillery for conducting both offensive and defensive actions, the Croatian Army has made a great effort to strengthen those forces. Having adopted the production of a large number of diverse artillery weapons, Croatia is making it possible for them to grow stronger literally with each passing day.

Defense Minister Kacin Injured in Car Accident

AU2403203695 Paris AFP in English 2030 GMT 24 Mar 95

[FBIS Transcribed Text] Ljubljana, March 24 (AFP)—Slovenian Defence Minister Jelko Kacin was seriously injured in a car crash Friday near Ljubljana, state radio said.

Kacin's car ploughed into a bus packed with Croatian tourists at Bistrica, 30 kilometres (19 miles) from the capital.

There were no details of the 39-year-old minister's injuries, but the radio said his life was not in danger.

Authorities have launched an inquiry into the causes of the accident.

In 'Satisfactory' Condition

AU2403213895 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 24 Mar 95

["Telephone statement" by Dr. Janez Princic, head physician at the Traumatology Clinic—recorded]

[FBIS Translated Text] After the accident, Defense Minister Kacin was brought to the emergency ward of the Traumatology Clinic this evening, where he was examined and all of his injuries attended to. His current state is satisfactory. He is conscious, and we hope that no major complications will evolve. It seems that everything will be fine; however, he will remain in the hospital.

Editor, Reporters To Leave DELO, Form Weekly

AU2403181695 Ljubljana SLOVENEC in Slovene 21 Mar 95 p 3

[Article by Biserka Karneza: "'The Slivnik Company' Leaving"]

[FBIS Translated Text] Ljubljana—Since a certain era in DELO's editorial board "is coming to an end," as Danilo Slivnik wrote in his resignation notice, he will resign from the post of deputy director and chief and responsible editor of the DELO daily on 31 March 1995. At the same time, he relinquished in advance any possible editorial and business assignments with the paper.

Because of the announced property transformation of the DELO newspaper house, the departure of Danilo Slivnik has been rumored for a long time. These rumors increased when correspondents Vinko Vasle resigned from DELO. According to the initial serious predictions, the latter was supposed to go to Radio and Television Slovenia, however, his latest statement—that he intends to focus on new projects—confirms a belief that a new political weekly will be formed. Danilo Slivnik and those correspondents who were publicly known as "the Slivnik Company" will supposedly take part in the new project. Apart from the aforementioned Vinko Vasle, the new editorial board, which would consist of 12 correspondents, would also comprise Joze Biscak and Igor Guzelj [both current DELO correspondents], while Vlado Vodusek [current DELO correspondent] is supposed to join later. The first issue of the weekly, which will supposedly be called MAG, will come out on 20 April, and it is expected to come out every Thursday.

While Danilo Slivnik, the most frequently read Slovene commentator lately, is leaving DELO, which one could have anticipated when his commentary was missing from its customary place in last Saturday's edition of the paper, Tit Dobersek, DELO's director and chief and responsible editor, will continue to perform his role. For his new candidature, he has allegedly already secured the support of all the employees at SLOVENSKE NOVICE, which are coming out within the framework of the DELO newspaper house. Mojca Drcar Murko, who has long been considered Danilo Slivnik's successor, was yesterday afternoon seen on the top floor of "the Black Widow" [nickname for DELO's skyscraper], celebrating Slivnik's departure.

Federal

Rights Minister: Serbs in 'Dreadful' Position

LD2503145295 Belgrade TANJUG in English 1428 GMT 25 Mar 95

[FBIS Transcribed Text] Belgrade, March 25 (TANJUG)—Yugoslav Minister in Charge of Human and Minority Rights Margit Savovic on Satuday said that the position of Serbs in the breakaway Yugoslav republics was dreadful and that 'the world refuses to see that.'

'They are being evicted from their apartments and dismissed from work, and even their physical survival is endangered,' Savovic told TANJUG.

She said Serbs were denied citizenship on the land where they had lived for centuries, were unable to obtain passports, and had no right to education in their own language.

'Unfortunately, the world is not ready to see that. The U.N. secretary-general's rapporteur Tadeusz Mazowiecki does not see it, and the Federal Republic of Yugoslavia has not asked anything else from him but to honestly and objectively inform the international community,' Savovic said.

'An example of (the policy of) double standards is the International Court for War Crimes Committed in the Wars of Secession in the Former Yugoslavia,' she said.

A number of reports on war crimes committed against Serbs in former Yugoslav republics has been submitted to the court but it has suspected only Serbs, which is most indicative of the court's purpose and shows its alleged neutrality and political independence, Savovic said.

She said she believed that 'such a court is bound to live to an inglorious end.'

She again repeated that the Yugoslav Constitution did not allow extradition of suspects to the international court in The Hague.

'It does not mean that we are protecting or will protect war criminals. It means that we will try them under Yugoslav laws, just as the practice has been so far,' Yugoslav Minister Margit Savovic said in the interview.

Serbia

Serb Deserters Not To Be Returned to Bosnia

LD2603174395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 26 Mar 95

[FBIS Translated Text] There are more than 50,000 able-bodied men—deserters from Bosnia—in Serbia at present. Due to the well-known Pale-Belgrade dispute they are not threatened by the prospect of being forcefully returned to the occupied parts of Bosnia-Herzegovina, the Belgrade-based independent Studio-B radio has said.

Serbian authorities will take Karadzic's threats voiced in Lopare recently as an additional reason for granting to these people—in addition to refugee status—the status of political asylum seekers from the so-called Serb republic in Bosnia. This would be a political move by the Belgrade regime aimed at improving its catastrophic rating by international human rights organizations, this independent radio says.

The report on the independent Studio-B radio was carried by Onassa.

Kosovo

Rugova Demands 'International Protection'

AU2403194395 Tirana TVSH Television Network in Albanian 1735 GMT 24 Mar 95

[Telephone report by Mehmet Haziri from Pristina]

[FBIS Translated Text] At today's news conference, the president of the Republic of Kosova, Dr. Ibrahim Rugova, considered the escalation of Serbian repression that has been manifested recently in Kosova through raids in villages, schools, and institutions, arrests, and robberies to be a new wave of troubles and provocations against Albanians. President Rugova demanded international protection for Kosova and asked that all Albanian arrestees and prisoners be released. Rugova also warned the Serbs living in Kosova not to fall prey to intervention by the Serbian regime and the Serb ultranationalist position designed to provoke their Albanian neighbors with whom they should find the elements for a common life.

Assessing the interest in Kosova of international institutions and personalities, President Rugova welcomed the statement by the Swedish foreign minister to undertake preventive steps to avoid a conflict in Kosova and Macedonia [The Former Yugoslav Republic of Macedonia], pledging to advance the integrating processes in Europe and the Balkans.

Rugova considered the opening of the file on Kosova, which was done very late at The Hague court, to be a good gesture by this international court, stressing that it will be completed with new data on Serbian crimes in Kosova.

At this meeting with correspondents, too, the president of the Republic of Kosova, Dr. Ibrahim Rugova, reiterated his demand that the lifting of sanctions against Serbia and Montenegro should be conditional on a solution to the Kosova problem. Meanwhile, Rugova pointed out that the best solution would be an independent and neutral Kosova, with guarantees for the rights of the non-Albanian population.

Regarding the appeal made two days ago at a massive rally, President Rugova greeted the protests of Albanians from Kosova and other ethnic areas that will be organized in various European and World cities under the motto: Recognize the independent and sovereign Republic of Kosova.

Asked for his assessments on the occasion of the third anniversary of democratic developments in Albania, President Rugova said that it is the general opinion of Albanians and citizens of Kosova that, during these three years, Albania has carried out an economic, social, political, and institutional revival. There are problems and things cannot develop so quickly. However, it is important that Albania is progressing on all the fields, President Rugova stressed.

Rugova also answered various questions by correspondents.

Rugova Calls For Independence Demonstrations

LD2503092595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 25 Mar 95

[FBIS Translated Text] Ibrahim Rugova, leader of the Kosovo Albanians called on all Albanians in Kosovo and living abroad to join the demonstrations in favor of the independence of the province. Rugova called on the Albanians to join the demonstrations in large numbers. The Democratic Alliance of Kosovo [DSK—Demokratski savez Kosova] will organize them in European countries, the United States, and Australia between 25 March and 1 April in order to draw the international community's attention to the unbearable situation in Kosovo.

Albanians Demonstrate in European Cities

AU2603144195 Tirana TVSH Television Network in Albanian 1735 GMT 25 Mar 95

[FBIS Editorial Report] Tirana TVSH Television Network in Albanian at 1735 GMT on 25 March carries within its regular newscast several reports on demonstrations organized today by the Democratic League of Kosova [LDK] branches in several European countries under the motto: "To recognize the Republic of Kosova as an independent and neutral state."

A report by Bujar Muharremi from Bonn states that the rally held there was attended by "renowned German politicians" and friends of the Albanian people, as well as representatives of various German political parties and Albanians from all areas in Kosova, Albania, Cameria, Struge, Tetovo, Skopje, etc. The LDK branch chairman who gave the opening speech stressed that "our motto is Kosova a republic—a free and independent Kosova. This is an aspiration and obligation toward the expressed will of the Albanian people in Kosova, in that Kosova that is experiencing the pain and the most fierce terror by Serbian chauvinism."

Correspondent Muharremi further notes that "Kosovar President Ibrahim Rugova greeted the rally with a special telegram. The telegram appraised the long road and efforts for giving life to a Kosova Republic as well as Germany's policies and stances, particularly those of President Herzog, Chancellor Kohl, the German Government, and the people."

The correspondent further cites speeches given by German officials at the rally, as well as a greeting by the Albanian ambassador in Bonn, Xhezair Zaganjori, who "appraised the policy of the Albanian democratic state toward Kosova and expressed deep gratitude for the German policy and the support it has granted and continues to grant to the Kosova issue."

Muharremi says that it was estimated that approximately 100,000 persons took part in the rally in Bonn.

Ismet Rashiti from Bern, Switzerland, reports on a rally held there, in which "40,000 compatriots gathered in support of the Republic of Kosova and the peaceful resistance of the Albanian people in Kosova."

Correspondent Rashiti states that many Swiss officials and parliamentarians greeted the rally, "unreservedly supporting the state of Kosova and the will of Kosovars expressed through a referendum." One of the members of the Foreign Policy Commission at the Swiss Parliament favored the "respect of the Albanian people's will for self-determination" and called on Switzerland and the European community "to exert pressure on Belgrade to respect the rights of Albanians in Kosova and their declaration for independence." President Rugova greeted this rally as well.

Another correspondent Qibrie Hoxha from Stockholm reports on a rally held by Albanians there in which some "4,000 people took part." A Swedish parliament deputy greeted the rally promising "a more commitment by parliament and her party to the question of Kosova." Correspondent Hoxha further states that other Swedish officials who greeted the rally underlined that "Kosova is neither an internal issue of the self-proclaimed Yugoslavia nor of Serbia, but it is an international issue."

The block of reports further continues with correspondent Rifat Buzuku reporting on a rally held in Vienna, Austria, in which about 2,500 people took part. Buzuku states that "the organizers of this rally sent a petition to the Austrian Government and Foreign Ministry, demanding the recognition of the Republic of Kosova as an independent and neutral state."

Concluding, the TV announcer reports that rallies for Kosova's independence were organized in Finland and England as well, adding that "other rallies under the motto: 'To recognize the Republic of Kosova as an independent and neutral state' will be held until 1 April in several other Western countries, such as in the United States and Australia."

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